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NEWS SUMMARY

GENERAL

'Callan' to face trial in Angola

...n British subjects, including ...stas Georgiou, the mercenary ...der known as "Callan," are ...ong 13 foreign soldiers who ...l be tried publicly in Luanda ...rtly, *writes Jane Bergerol.*

Angolan Minister of Justice ...genes Boavida said the mer...aries, all captured in ...rthern Angola fighting for the ...LA, would come before an ...ernational jury composed of ...ding figures from all five con...ents. Jury members would be ...nounced soon and would be ...ected for their "intellectual, ...itical and moral authority."

Following trial by "International Free Jury," the ...rcenaries would be brought ...fore two specially constituted ...golan tribunals which would ...*tence them "severely but ...renely."* Trials of other ...rcenaries would follow.

"Callan" was alleged by re...rning British mercenaries to ...ave ordered the execution by ...ing squad of 14 of their num...r, whose bodies were subse...ently found.

Ceasefire in Lebanon

...banese Left-wing forces agreed ...suspend their offensive against ...istian strongholds follow... strong Syrian pressure in...cing a thinly-veiled threat of ...litary intervention. They will ...serve a ten-day truce during ...hich time President Franjieh ...ust resign and a *new Head of ...tate* be elected by Parliament. ...ack Page and Page 5

U.K.-U.S. talks on IRA gun running

U.S. and British customs officials ...il meet shortly to discuss ways ...f reducing the flow of arms to ...he IRA. Mr. Merlyn Rees, Ulster ...ecretary, singled out Mrs. Maire ...Drumm, *Provisional Sinn Fein* ...ice-president, in his condemna...ion of Wednesday's murder of ...our soldiers. The Army has de...ained a number of people follow...ng a widespread search for the ...illers in South Armagh. Page 8. A part-time Ulster Defence Regi...ment member was found shot ...ead through the head in Co. Londonderry. Terrorist statistics, Page 29

Defence vote

Left-wingers voted with the Government last night when the *Defence cuts in the 1976* ...stimates were approved by a majority of 48 (305-257), despite their hostile amendment. Debate, Page 10

Cod war clash

Icelands coastguard claims the *British frigate Tartar is holed* and possibly taking water following repeated collisions with the patrol boat Tyr. The Ministry of Defence said damage was slight on the Tartar and Salisbury following four collisions.

Monty buried

Field Marshal Viscount Montgomery of Alamein was buried yesterday at Binstead, Hampshire. The service in St. George's Chapel, Windsor, was attended by Prince Philip and Lady Spencer-Churchill. Picture, Page 9

Castle on the air

Montreal will have to build a $4m. castle—complete with moat—to house the Queen when she opens the Olympics, the local CJAD radio reported yesterday. The April Fool's joke caught a raw nerve among *many listeners.*

Briefly . . .

Former Royal Ballet premier dancer David Blair was found dead at his London home.

Mr. Harold Macmillan is among *four new appointments to the* Order of Merit. The others are Lord Hinton of Bankside, Lord Clark of Saltwood and Sir Ronald Syme.

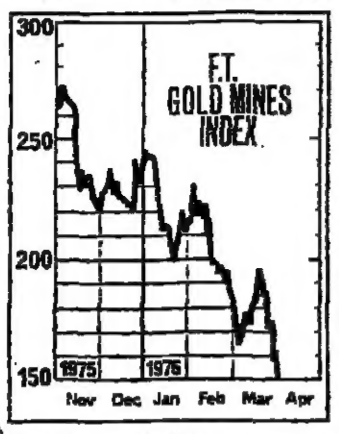
BUSINESS

Equities back under 400; gilts fall

● GILTS were unsettled by the further decline in sterling and by worries about a possible rise in minimum lending rate. Falls ranged to ½ for shorts and ¾ for longs.

● *EQUITIES* began firmly but quickly lost ground in line with the downward trend in gilts. The FT 30-Share Index fell below the 400 mark to close 3.6 down at 398.8 for a four-day loss of 11.6.

● GOLD SHARES weakened on realisation that South African corporate tax proposals apply



also to goldmining concerns. The Goldmines Index dropped 10.2 to 150.4, compared with the year's high of 246.9 on January 2

● GOLD fell $¾ to $128¼.

● WALL STREET closed 5.35 off at 994.10 with the nationwide road hauliers' strike affecting sentiment.

Investment rules eased

● AUSTRALIA will restrict foreign investment in uranium projects to 25 per cent. and aim at a more flexible limit of 50 per cent with other minerals projects, under new, easier guidelines announced yesterday. Back Page

● COAL BOARD has been given Government planning permission for the Selby, Yorkshire, mining project—its biggest ever scheme. The coalfield, the first completely new field to be developed since early this century, will eventually produce at least 10m. tons a year and provide 4,000 jobs. Page 9

● U.S. OIL PRODUCERS would have to sell their refineries and service stations within five years under a Bill approved by the U.S. Senate anti-trust sub-*committee.* Page 4

● ROLLS-ROYCE (1971) will lay off 6,000 engineering workers at its Bristol aero-engine plant at the end of next week, unless a strike by 500 toolmakers is settled. Back Page

● LAKER AIRWAYS chairman, Mr. Freddie Laker, has applied to the Civil Aviation Authority for rights to run a new type of trans-Atlantic service. Page 9

● TEXTILE CONFEDERATION director, Mr. Clifford Jupp, has resigned after disagreements on policy matters. Page 8

● BRITISH STEEL Corporation's potential borrowing powers will be doubled to £4bn. under a Bill introduced yesterday. Back Page.

COMPANIES

● LONDON BRICK pre-tax profits recovered last year to £9.79m. (£2.67m.) on higher turnover of £66.96m. (£45.1m.). Page 24 and Lex

● ROCHE has reached agreement with Inland Revenue on a *basis for determining its tax* liabilities for the seven years to December, 1972, involving payment of up to £1.85m. to tax authorities. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Beecham	350	− 4
...oc. Book Publshrs.	72	+ 15	Combnd. Eng. Stores	80	− 4
...ford's Dairies 'A'	79	+ 7	Gillett Bros.	188	− 10
...ons	373	+ 7	Heywood Williams	16	− 4
...edland Dozzart	78	+ 14	ICI	390	− 4
...ikform	76	− 4	Kode Intl.	28	− 5
...ild	104	+ 5	Kwik-Save Discount	107	− 9
...pe Invs.	374	+ 4	Linread	28½	− 5½
...ite Child & Beney	32	+ 3	*London Brick*	55	− 3½
...lo United	90	+ 6	Lyons (J.) 'A'	116	− 4
...ndon Tin	163	+ 13	Nat. Carbonising	25	− 3
...nnon	90	− 8	Rolls-Royce Motor	57	− 2
...h Mining	300	+ 15	Stock Conversion	162	− 4
FALLS			Taylor Woodrow	300	− 5
...easury 9¼% 1980	£94½	− ½	Union Discount	322	− 7
...easury 12¾% 1992	£95½	− 1	United Newspapers	270	− 8
...anders Discount	210	− 10	Utd. Real Property	167	− 8
...rora	58	− 4	*Anglo American*	250	− 10
...ailord	45	− 5	Coronation Syndicate	70	− 10
			Free State Geduld	£13¼	− 1¼
			President Steyn	750	− 130
			St. Helena	£14½	− 1½
			Western Hldgs.	£15½	− 1½

Widespread selling takes £ to new lows

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE POUND plunged more than three cents against the U.S. dollar yesterday to close at a new low level of $1.8840. Later in New York, it eased a further 10 c—

It was one of the steepest falls on record, reflecting a wave of market uncertainties about the British economic and industrial scene which brought selling from all over the world.

On the eve of publication to-day of reserve figures expected *to show that support operations* for sterling last month cost the U.K. $1bn., the Bank of England is understood yesterday to have spent about $100m. in intervention to steady the slide.

The decline against the dollar took place on a day when the U.S. currency was itself losing ground against the European currencies—notably the German D-mark and the Swiss franc.

Sterling's decline against the weighted average of all key currencies was so sharp yesterday that by last night the effective depreciation from December 1971 levels had widened from an overnight 34.1 per cent. to a record 35.3 per cent.

This latest fall in sterling comes remarkably soon after the sharp adjustment in the first fortnight of March. It means that since the end of February the pound has been devalued *on a weighted basis by 7.3 per cent.*

At around mid-day yesterday the pound dropped a whole cent in a matter of minutes. The all-time trading low of $1.88 was reached in early afternoon after which some profit-taking brought a slight recovery.

It was a day of hectic and heavy trading, with numerous explanations circulating in the market—all of them adding up to one consistent theme—renewed uncertainty.

Holders of sterling had been concerned all week by the diagnosis from Mr. Wynne Godley, of Cambridge University, suggesting that the U.K. might have no alternative on the balance of payments front but to plump for import controls or a massive further devaluation.

Gradually during the week the market's attention came to focus more and more on British Leyland's stoppages, and the way in which they were seen to embody the traditional fears about disruptive strikes in the U.K., as well as illustrating the problem of "*differentials*" which is at the heart of the run-up to Stage Two of the incomes policy.

Superimposed on this were uncertainties about the Labour leadership, next week's Budget, and any financial divisions which might emerge from the current *two-day EEC summit in Luxembourg.*

At one stage earlier this week there was stock market speculation about a decline in interest rates, but it can be taken that the lesson of last month's sterling crisis has been learnt, and the U.K. authorities will not allow Minimum Lending Rate to go down to-day.

THE FALLING POUND

	March 1	March 31	April 1	% change yesterday	% change since March 1
U.S. dollar	2.0240	1.9160	1.8840	−1.67	−6.92
Belgian franc	79.45	74.85	73.20	−2.20	−7.87
Danish krona	12.53	11.63½	11.45½	−1.55	−8.58
Dutch guilder	5.45½	5.15½	5.06	−1.79	−7.24
French franc	9.09	8.96½	8.81½	−1.67	−3.02
Italian lira	1,580	1,608½	1,585	−1.46	+0.32
Japanese yen	611	575	564½	−1.83	−7.61
Swiss franc	5.24½	4.87	4.76	−2.26	−9.20
West German D-mark	5.22½	4.87½	4.76½	−2.21	−8.76

The latest slide in the pound has come at a time when the U.K. authorities are far from unanimous themselves about the appropriate policy for sterling.

There have been fears abroad that the British Government was deliberately indulging in devaluation policies to a greater extent than was dictated by consideration of international competitiveness although Mr. Healey denied in the Commons yesterday that there had been any criticism in international bodies, including the EEC finance ministers' meeting, of the way the authorities handled last month's market tactics.

The view that such incidents as the latest fall in the pound are justified by comparisons of international price movements has been challenged. And there are those officials who are so worried by the effect of the earlier decline on import prices and stage two negotiations with the unions that they say, "Enough is enough."

There were indications yesterday of selling by oil producers of the royalties that had been paid to them in sterling earlier in the week, but as a factor in the market such sales seem to have been swamped by the general wave of selling.

Editorial comment, Page 18; Healey claims success in defence of the pound. Page 10

Two strikes at Leyland plant end

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITISH LEYLAND'S ... situation improved yeste... when the two most damagin... five running disputes ... settled.

Mass meetings of 350 t... makers at Triumph, Cove... and 650 press operators at Llanelli body pressings wo... decided to return to work fr... last night.

This will enable the phas... return, from next week, of so... 13,500 workers made idle ... Triumph's Coventry and Spe... plants as well as at Llanel... Longbridge (Birmingham) an... Cowley (Oxford). Production ... the entire Triumph car rang... and Austin Minis and Marina... should resume from Monday.

There was further good new... *for Leyland yesterday* with the resumption of peace talks on the pay strike by 400 toolroom workers at eight Rover plants in the Midlands and Cardiff which has halted Land-Rover and Range-Rover output.

But serious problems remain with the continuation of two *other strikes* involving toolroom men at the SU Carburettors and Drews Lane suspension plants in Birmingham.

Either of these two disputes could have a widespread impact on car production throughout the group as stocks of carburettors and suspension units dry up.

Before yesterday's mass meeting the number of workers made idle by the five disputes rose to around 17,500 and production of ten of the company's 16 car models was at a standstill.

At Triumph, Coventry, the striking toolmakers voted overwhelmingly to comply with their union executive's instruction to return to work even though their AUEW district committee had urged them to remain out. This compliance will put more pressure on the 32 SU strikers to reverse their defiance of a similar executive instruction.

The AUEW executive issued ...eir instruction on Tuesday on ...e grounds that the strikers' ...y claims breached the union's ...clared support of the Govern...ent's counter-inflation pay ...licy, especially the clause ...isting on a 12-month interval ...tween settlements.

...here are to be further negotiations on the Triumph toolroom ...kers' demand for an extra £15 a week to give them parity wi... tinsmiths. These may well ...cen... on the company's previous offer to consider regrading the

...ontinued on Back Page

Loan may be cut

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE POSSIBILITY of British Leyland receiving the full £100m. government loan that the Ryder Report proposed it should get this June, is fast receding in the wake of the current round of disputes.

British Leyland's progress report, along with its application for further finance, is now being *prepared and is due to go to* the National Enterprise Board for review fairly soon.

Because of the deteriorating financial position, and the continuing freeze on capital expenditure in the car division, the company will be hard put to make out a case for a loan of more than £70m. to £80m.

The continuing labour troubles in the car group lie at the root of the cutback. Even before the present round of disputes blew up, Mr. Derek Whittaker, managing director, was reluctant to end the freeze he imposed on capital *spending last November because* he was not satisfied with overall results in the group.

Mainly as a result of his decision, the date for taking up the next tranche has already been pushed back from midsummer to September. But with the car group now plunged into another bout of labour problems, and Leyland stressing that this prejudices capital investment, it seems that the loan will be trimmed back as well.

This move will at least make the point that both Leyland and the NEB are in earnest about the "review points" which were deliberately installed in the *financing plan to precede the* allocation of new tranches.

The procedure was intended to provide, in the words of the Ryder Report, "review points to assess whether adequate progress is being made in improving productivity."

Without such improvements, the report said, the whole scheme would be placed in jeopardy.

The car group is expected to make by far the biggest demands on the company's capital expenditure programme. Overall, it will take some three-quarters of *the total investment, and this* year alone it was to have been allocated about £100m.

By contrast, the Truck and Bus, Special Products and International Groups are pushing ahead with their investment programmes.

Rolls threat, Back Page

French plan to end deadlock on European Parliament

BY REGINALD DALE

LUXEMBOURG, April 1

IN A surprise political initiative, M. Giscard d'Estaing, the French President, to-day put forward a plan aimed at breaking the deadlock in the EEC over the direct election of the European Parliament from 1978. But a widely expected new French monetary initiative failed to materialise at the EEC summit here, after Germany had registered its strong disapproval.

The French proposal for the *Parliament was to cut through* months-long haggling over the size of the new chamber, by the simple expedient of retaining the present assembly's composition of 198 seats. Previous plans have ranged from an earlier French suggestion of 284 seats to an Irish proposal for 384.

French officials said the proposal had been accepted by the German, Belgian, Irish and Luxembourg leaders, while Britain and Denmark had reserved their reply, and the Netherlands was favourably inclined. Italy immediately rejected the plan as inadequate to accommodate all the country's political parties.

The proposal, though ostensibly simple, could run into opposition not only in Italy but in Britain and France. It is also likely to be resisted by the pre*sent Parliament, which has pro*posed a total of 355 seats.

Britain now sends 36 MPs to Strasbourg, all nominated by the U.K. Parliament. With the same number of seats in a directly-elected chamber, each British MP would have a constituency *averaging about 1.5m. people,* and without some system of proportional representation it would be virtually impossible for any Liberals to be elected.

In France the plan can be expected to run into protests from the Communists, and the Gaullists inside the governmental majority, who both oppose the whole concept of direct elections.

By putting forward his proposals to-day, the French President has removed persistent doubts that he was wavering in his resolve given the strength of the opposition. French officials said the three main advantages were that the suggested composition of the Parliament had already been negotiated, that it did not involve a Treaty revision, and that it was the only way of ending disagreement.

Up to now, the main argument has been over the sharing out of seats among the smaller countries, who wanted more MPs, while France and Britain thought *they should have less.*

Earlier, Germany with Dutch support had quashed any idea of reforming or expanding the jointly floating EEC currency snake in the wake of the monetary upheavals of recent weeks.

Suggestions that the snake should be made more flexible, extended to all nine countries, and be supported by pooled reserves, have been tentatively floated from Paris in the past few days.

But M. Giscard d'Estaing to-day denied he had ever intended to take such an initiative during the two-day talks here.

Even before the meeting, German officials strongly attacked all the ideas the French were reported to have been considering. There could be no question of pooling reserves when currencies were in such disarray.

Mr. Wilson, attending his last EEC summit, was reported to have agreed generally with the German line, as did the EEC Commission. The Prime Minister said the U.K. opposed the introduction of any new EEC monetary mechanism.

Herr Schmidt's main point was the familiar one that economic policies must be put in order before there could be any question of creating new parity arrangements.

Germany welcomed Commis*sion proposals* that jointly agreed economic and budgetary policies should be made binding on member states, but there was some doubt over a suggestion that "sanctions" might be imposed if Governments subsequently stepped out of line without justification.

Nevertheless, it seemed likely that a Commission paper calling for greater economic convergence and with tighter discipline on both strong and weak economies would be adopted as a basis for further study.

Time for nostalgia as Wilson quits the Euro-stage Page 6

£ in New York

	April 1	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

£34m. bid for London Tin planned

BY MARGARET REID

A BID WORTH up to £34m. from Malaysian State interests for control of London Tin Corporation was foreshadowed yesterday, subject to certain conditions and with the approval of the City Take-over Panel.

A 30 per cent. stake in London Tin, the world's largest tin company, is held by Haw Par Brothers International of Singapore, in which Slater Walker Securities previously had a large holding. The prospective bid from the State-controlled Pernas Securities of Malaysia, while not available on the same terms to the Haw Par-owned shares in London Tin, would be extended to these shares on similar terms if they were sold to new owners in Britain.

Haw Par's special situation is connected with its previously projected tie-up with Pernas, which originally imposed on it some obligation—from which the Panel has now released it—to participate in making the general bid.

Announcement of the intended offer was one of two major events yesterday which could conceivably lead on to significant developments over the long dispute concerning the $29m. (£15.2m.) loan from SWS to Haw Par, now the subject of legal action on both sides.

The other important event was a report by Radio-Television Singapore that the anxiously-awaited Government investigator's report into the affairs of Haw Par was "inconclusive."

It added that the Government-appointed investigator, accountant Mr. Philip Grundy, had said available evidence was insufficient to justify any firm conclusion.

There were some suggestions in London yesterday that the investigation's "*inconclusive*" nature might make less probable any further moves by the authorities in Singapore. One consequence of such a situation could possibly be to create a more helpful atmosphere for resumption of discussions on the SWS-Haw Par loan dispute. SWS *said last night:* "If there were a possibility of reopening the negotiation, we should certainly be delighted to do so." Already, the $12½m. unrepaid first instalment of the loan has been placed in a joint account in London.

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For latest Share Index 'phone 01-246 8026

LOMBARD

Blunder v must now corrct

BY C. GORDON TETHER

THE CRUCIAL thing to notice about the great tirade that has been unleashed against the Cambridge Economic Policy Group's call for a "siege economy" type of attack on the British sickness is that it is very largely based on precisely the same kind of advocacy as has brought us to the present pass.

Almost all the industrial world's success story countries created the economic base needed to get them to the take' off stage under cover of exten sive protectionism. In the case of the Japanese, indeed, it i only in very recent years tha such support has been dispense with. Britain, however, wa encouraged—largely by Cit inspired hot gospelling about th importance of attaching t priority to fulfilling her wor banker role—into taking t plunge into the chilly waters world trade liberalisation lo before she was strong enough do so And this is primar responsible for her inability since to do much more th limp painfully along.

Debilitating

For the effect of having away on the wrong foot necessarily to leave the exter payments position exposed all attempts to catch up the rest of the field thro the launching of expansio policies—the inevitable in tendency for imports to go a of exports promptly pushing balance of payments into se deficit. With our ill-advised involvement in the hot m business adding powerfull the resultant vulnerabilit currency crisis anything than a highly debilitating "op-go" form of economic life became out of the questi

And I say "*highly debilitating*" because, coming at time when it had become the to expect *year-by-year a* in incomes to support higher living standards, the resulting *slowness of the growth* in output necessarily acted as a constant spur to inflation.

Thus it long ago became abundantly clear that th country was inexorably doomed to suffer continuous economic decline—unless, that is, it corrected the premature trade liberalisation blunder by reestablishing appropriate protection for its industries system while they were brought to the pitch needed to enable them to hold their own in a world wherein success breeds on success and failure on failure. And if any one should imagine that this is a case of being wiser after vent, I should point out I have been continuously ating the adoption of a etent programme of import aints.

is obviously a matter of t significance that the coun- major economic research nisations are gradually com- round to the view that the for such action has become sistible. What has to be ted as equally significant in *attempt to determine* ether they or their critics e right on their side is—as said at *the start—that the* ernative approach with which e latter are identified is basic- y the one we have been pur- ing throughout the great industrial run-down.

The reality

Thus the core of their argument has been that the answer to the British sickness lay in insisting on the maximum exposure of our industry to foreign competition to make it bend all its efforts to modernising itself, etc., etc. From which it followed that there was absolutely no justification for running the risk of incurring the displeasure of the outside world—and perhaps inviting retaliation—by keeping out imports.

The reality is that experience has demonstrated over a very considerable period of time that this treatment simply doesn't work. And I would have thought that there was no difficulty in discerning that there are good reasons for this that have nothing to do with the alleged inadequacies of British management or the alleged bloody-mindedness of British workers.

I would have thought, too, that it was equally easy to see that there is no justification in sight for supposing that an approach that has been such a consistent failure is suddenly going to start having radically different results—even if it does get the help of long-needed action by the *Government to ensure that the* City's international orientation ceases to put home investment *under a handicap.*

Rather is it almost certain that our increasing involvement in EEC trade liberalisation and the growth of international trade warfare will make it even more difficult for the British industrial system to stage—within the context of present official economic strategy—the renaissance need to put Britain back on its feet.

The country surely now has a right to expect that the lessons taught by years of bitter and painful experience do not continue to be ignored.

RACING — BY DOMINIC WIGAN

Roaring Wind for Aintree

ROARING WIND, who justified considerable stable confidence at Cheltenham a fortnight ago when running out a 2½-length *winner from Cancelio* of the Arkle Challenge Trophy, can follow up in to-day's £4,000 Alpen *Mildmay Chase (3.05)* at Aintree.

Roy Cambridge's *Snifnal* eight-year-old, a winner six times from nine appearances this season before that Cheltenham triumph, has made tremendous improvement recently; and despite the formidable task of *giving 7 lbs and 10 lbs* to *Zongalero* and *Navigation* respectively, he seems likely to come out on top again and bring his earnings for the campaign up to nearly £15,000.

Mwanadike, Tiepolino and *Wiener Chic*, who all met in the Daily Express Triumph Hurdle at the Festival meeting, renew rivalry in the Weetabix Hurdle *(3.40)*. Although the fourth in that event, Mwanadike, the mount of Tommy Carberry, is *entitled to favouritism, on* his Cheltenham running. I believe it will pay punters to row in with Tiepolino, who failed to produce anything approaching his true ability there.

AINTREE

2.00—Victors Slave
2.30—Flitgrove
3.05—Roaring Wind*
3.40—Tiepolino**
4.15—Guiding Star
4.45—Java Fox

TEESSIDE

2.45—St. Joles***
3.15—*Wind Swallow*
3.45—Sindab

WARWICK

2.30—Topping
3.00—Sylvan d'Or
4.00—Whirlow Green

Josh Gifford's representative, *the second favourite for the* Triumph Hurdle, had previously failed by only a short head to concede 20 lbs to the extremely smart Christmas Candle (a winner again since) in a 20-runner event at Windsor, and a return to that form should see him safely home.

At Teesside the North's leading rider, Edward Hide, the only danger, in my opinion, to Pat Eddery in the 1976 Jockeys Championship, seems likely to dominate events. I expect to see him take the afternoon's feature event here, the one-mile Roseberry Stakes (2.45) with St. *Joles* before going on to complete a treble through the newcomer. *Wind Swallow*, in the Fairfield *Maiden Stakes (3.15) and Sindab* who goes for the Town Handicap half-an-hour later.

St. Joles, a half-brother to that talented Irish sprinter, Gillespie, will not find it easy to cope with *Claudio Nicolai* on level terms.

Nevertheless he is a progressive colt capable of pulling out a good deal under pressure, and I shall be disappointed if he fails *to justify the long trip from* Barry Hills' South Bank Lambourn establishment.

SALEROOM — BY ANTONY THORNCROFT

Lost Gainsborough's £4,800

YESTERDAY was the day for watercolours at Sotheby's. A general sale of English watercolours totalled £73,275, and the special auction of the watercolours painted during Lord Macartney's Embassy to China to establish diplomatic relations in 1792-4, added a further £49,645.

Most of the watercolours of China, which provide an unparalleled view of the country at the time, were the work of William Alexander and Captain Henry Parish, with a few by Sir John Barrow. The highest price was the £6,500 from Baskett and Day for a view by Alexander of the party's barges being raised from one canal to another. Another by Alexander of a Chinese *military post fetched £5,200*, and an Alexander of the sailing ship which took them to China made *£4,200. Among the buyers was a* descendent of Parish, and only four of the 55 lots were unsold.

During one of Sotheby's provincial weeks (at Harrogate) when it sets up *shop* in a town and inspects the natives' art a Mr Gregory brought in some unframed pictures. One of them turned out to be a "lost" Gainsborough, and the elderly Mr. Gregory was in the saleroom to see his study for a portrait of Carl Abel bought by Agnew for £4,800, around double the forecast.

Other good prices were the £6,300, also from Agnew, for a John Cozens view of Mount Parnassus (under estimate); £6,200 for a Turner of a ship in icebergs; and £5,000 for another Turner, this time an 1820 view of Naples. Only 2 per cent. of the lots were bought in, and among the other acquisitions was a portrait of an 18th century Earl of Kingston bought by the present Earl for £520.

The Sothebys' *silver sale* produced £41,947, with a George II Irish circular bowl and cover making *£2,100*.

At Christie's there was a successful sale of English furniture which totalled £137,825. Pride of place goes to the 30 lots from Harewood House, which made £39,055 Twelve of them are attributed to Thomas Chippendale. It was a set of 14 George III mahogany dining chairs by Chippendale which made the top price—£9,500 They were bought by Partridge Fine Arts.

An even more interesting price was the £8,000 from Redburn for a George III curved marquetry side table by Chippendale. For the past century it had been languishing in a carpenter's workshop in the grounds of the house and was positively identified by a Christie's expert as one of the original pieces made for the circular dressing room. It was in a very bad condition.

Sotheby's Belgravia salerooms had *its best ever sale of Studio* Pottery, which realised £25,881. For the first time there was an American buying *heavily in* what had always been very much a British collectors market. A Martin Brothers "Love Birds" group fetched the top price of £740. The work of Staite Murray was also in demand and there was an auction record price for a Ruskin of £540.

At Belgravia on Wednesday the art nouveau and art deco *section of the sale* also went successfully for a total of £68,951 The highest price was £4,600 for *a Tiffany lamp, but of more* note was the world record of £3,100 for a Preiss figure of a girl leaping over flames.

At Bonham's a European picture sale made £55,060. A very small village scene by Karl Heffner doubled its target at £1,150, and a street scene in Rouen by James Edwin Meadows fetched £1,050.

CINEMAS ARE CONTINUED ON PAGE 29

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.20 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Andy Pandy. 3.25 Pobol y Cwm. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Right Charlie. 5.15 The Dragon in the Dungeon. 5.40 Captain Pugwash.

5.45 News
6.00 Nationwide
6.45 Sportswide
7.05 Tom and Jerry
7.10 "Flight of the Cougar" starring Lassie
8.30 Wodehouse Playhouse
9.00 News
9.25 The Detectives: "A Man Called Ironside"
10.15 To-Night
10.45 A Secret England
11.15 Weather/Regional News
†11.17 The Friday Film: "The Sun Shines Bright"

All Regions as BBC—1 except at the following times:

WALES—1.45-2.00 p.m. Tredwt. 6.00-7.05 Wales To-day. 7.05-7.25 Heddiw. 7.25-7.55 Sianel 5. 7.55-8.05 Cartoon Time. 8.05-8.30 Ask the Family. 10.15-10.45 Kane on Friday. 10.45-11.15 Folk Club. 11.15-11.17 News for Wales.

SCOTLAND — 6.00-6.10 p.m. Labour Party (Scottish Council) Debates: report. 6.10-7.05 Reporting Scotland. 8.30-9.00 Current Account. 10.45-11.15 Scope. 11.15-11.17 News for Scotland.

NORTHERN IRELAND — 3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 Norma Burrowes sings and talks. 11.15-11.17 News for Northern Ireland.

ENGLAND—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 10.45-11.15 North (from Leeds) The Rating Game; North West (from Manchester) Home Ground; North East (from Newcastle) Fair Comment; Midlands (from Birmingham) Caldmore Rises; West (from Bristol) Quiz West; South West (from Plymouth) Peninsula; South (from Southampton) The Young Question; East (from Norwich) On Camera.

BBC 2

6.40-7.55 a.m. Open University
11.00 Play School
2.15 p.m. Racing from Aintree
5.00 Open University
7.05 Mr Smith's Vegetable Garden
7.30 Newsday
7.50 Pioneers of Photography
8.15 The Money Programme: A Rose with Thorns: Portugal
9.00 It's Patiently Obvious
9.30 Battle of the Sexes
10.00 Playhouse
10.40 Disraeli Lived Here
10.55 Martyr to What System?
11.25 Newsnight
11.40-11.45 Closedown. Stephen Thorne reads "Note to the Hurrying Man" by Brian Patten

BBC—2 Scottish transmitters only: 11.40-11.50 p.m. Party Political Broadcast: Scottish National Party.

LONDON

9.55 a.m. Larry the Lamb. 10.10 Meet the Men from U.N.C.L.E. in "The Spy With My Face." 11.35 Galloping Gourmet. 12.00 A Handful of Songs. 12.10 p.m. Hickory House. 12.30 Those Wonderful TV Times. 1.00 First Report: News, FT Index. 1.20 Lunchtime To-day. 1.30 Couples. 2.00 Good Afternoon Money-Go-Round. 2.30 Friday Romance: "The Wild Heart" starring Jennifer Jones. 3.55 General Hospital. 4.20 Four Idle Hands. 4.50 Magpie. 5.20 University Challenge.

5.50 News from ITN
6.00 To-day—The London Report
6.35 Crossroads
7.00 Sale of the Century
7.30 Yes—Honestly
8.00 Police Woman
9.00 Hadleigh
10.00 News at Ten
10.30 Police Five
10.40 Russell Harty
11.30 Shannon's Mob
12.30 a.m. In God's Name

All ITV Regions as London except at the following times:

ANGLIA

10.00 a.m. Betty Boop Cartoons. 10.20 More Animate Objects. 10.45 Musical Ambassadors. 11.30 A Savage Reborn. 1.25 p.m. Anglia News 2.30 The Friday *Afternoon Film: "The Feminist and the Fuzz."* 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Shaft. 12.20 a.m. Christians in Action

ATV MIDLANDS

10.30 a.m. Sinbad Junior. 10.35 The Rules of the Game. 11.05 The Juggler. 11.35 Untamed World. 1.20 p.m. ATV Newsdesk. †2.30 The Friday Matinee: "A Place To Go" starring Rita Tushingham. 5.20 Hogan's Heroes. 6.00 ATV Today. 7.00 Meet Peters and Lee. 7.30 The Stanley Baxter Picture Show. 8.30 Sale of the Century. 10.30 Extra Time. 11.00 *The Monster Movie: "Scream of the Wolf."*

BORDER

11.05 a.m. *Survival* 11.35 A Savage Reborn. †1.20 p.m. Border News. 2.30 Friday Matinee: "Assault on the Wayne." 6.00 Party Political Broadcast on behalf *of the Scottish Nationalist Party.* 6.05 the "Tongs" starring Christopher Lee. Meet Peters and Lee. 8.00 Hawaii Five-O. 10.30 Orson Welles Great Mysteries. †11.00 Late Night Film: "The Terror of the Tongs" starring Christopher Lee. †12.30 a.m. Border News Summary.

GRAMPIAN

11.10 a.m. Dr. Seuss on the Loose. 11.30 A Savage Reborn. 1.20 p.m. Grampian News Headlines. 2.30 Friday Matinee: "The Atomic City" 5.20 Ask About America. 6.00 Party Political Broadcast on behalf of the Scottish National Party. 6.05 Grampian Today. 7.30 Anita 8.00 Hawaii Five-O. 10.30 *Indoor League Championship of Champions.* 11.00 Shaft followed by Road and Ski Report. 12.20 a.m. Evening Prayers.

GRANADA

9.30 a.m. Alphabet Soup 9.55 Animated Classics. 10.35 Journal. 10.50 A Place To Live. 11.05 Clapperboard. 11.30 A Big Country. 1.20 p.m. This Is Your Right. 2.30 Friday Matinee: "Traitor's Gate." †5.15 Chuckleheads. 6.00 Granada Reports. 6.35 The Protectors 7.05 Meet Peters and Lee. 7.35 Sale of the Century. 8.05 The Magician. 10.30 Kick-Off. 11.05 The Oscar Winners: "Cat Ballou" starring Jane Fonda and Lee Marvin.

HTV

11.30 a.m. A Savage Reborn. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. †2.30 Friday Matinee: "Jacqueline." 5.20 Dail Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 7.30 Sale of the Century. 8.00 The Streets of San Francisco. 10.30 Orson Welles Great Mysteries. 11.00 Bec Ramsey.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Sesiwn Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 *Outlook.*

HTV West—As HTV General Service except: 1.25-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SOUTHERN

10.15 a.m. The Beginning of Development and Life. 10.30 Untamed World. 10.55 Cartoons. 11.10 Wait Till Your Father Gets Home. 11.35 A Savage Reborn. 1.20 p.m. Southern News. 2.00 Women Only. 2.30 The Friday Matinee: "I Heard the Owl Call My Name" starring Tom Courtenay. 5.20 Bugs Bunny. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 59 and 60). 6.00 Scene South East (Channels 10 43, 64 and 8 only). 6.40 Meet Peters and Lee. 7.10 Columbo. 10.30 A Southern Report. †11.00 "The Camp on Blood Island" starring Andre Morell. 12.25 a.m. Southern News Extra.

ULSTER

11.35 a.m. Documentary—A Savage Reborn. 1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.30 Friday Matinee: "The Crooked Heart," starring Rosalind Russell and Douglas Fairbanks Jr. 4.18 *Ulster News Headlines.* 6.00 UTV Reports. 6.25 Police Six. 7.00 Meet Peters and Lee. 7.30 The Ghost and Mrs. Muir. 8.00 Firehouse. 8.30 Sportscast. †10.30 *Friday Film: "A Child is Waiting,"* starring Burt Lancaster and Judy Garland.

WESTWARD

9.45 a.m. Wildlife Theatre. 10.10 Farmhouse Kitchen. 10.35 Randall and Hopkirk (Deceased). 11.30 Documentary (A Savage Reborn). 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Friday Matinee: Banacek. 6.00 Westward Diary and Sports Desk. 7.00 Meet Peters and Lee. 7.30 Hawaii Five-O. 8.30 Who Do You Do? 10.30 Westward Late News. 10.35 Late with Danton. †10.50 Late Night Film: "Kisses For My President," starring Fred MacMurray and Polly Bergen. 12.40 a.m. *Power for Life.*

YORKSHIRE

10.35 a.m. Ed Allen Time. 10.55 Manfred 11.05 The Canny Shepherd. 11.35 Castaway. 1.20 p.m. Calendar News. 2.30 Here Comes the Future. 2.55 Houseparty. 3.25 Kitchen Garden. 5.20 The Beachcombers. 6.00 Calendar. 7.00 Meet Peters and Lee. 7.30 The Magician. 8.30 Now Who Do You Do? 10.30 Calendar Sport. 11.05 *The Oscar Winners:* "Cat Ballou," starring Jane Fonda and Lee Marvin.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.00 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Contact. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 2.30 Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance Knockout Quiz. 7.30 Play It Again (S). 8.02 John Fox conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Take Your Partners at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1500m only, also some Scotland VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡Medium Wave only

7.00 a.m. News. 7.05 Overture. 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Rachmaninov (S). 9.45 BBC Concert Orchestra (S). 11.00 Harrogate Festival 1975 (S). 11.30 A Complex Fate: illustrated talk by composer John Joubert (S). 12.25 p.m. Midday Prom, part 1: Weber, Dukas (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2: Schumann, Dvorak (S). 2.05 German Passion Music (S). 3.20 The Shostakovich Symphonies (S). 4.20 Concert Club (S). 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued) ‡6.30 Lifelines: Leisure and Recreation. 7.30 Horenstein Conducts Bruckner (S). 9.00 "The Provok'd Wife," by John Vanbrugh. 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk. 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 The Great Musicals: "Porgy and Bess." 11.50 In My Own Time. 12.00 News. 12.02 p.m. You and Yours. 12.27 Oh, Get On With It! †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour from Manchester, including 2.00-2.02 News. 2.45 Listen with Mother 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1976. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. . . . 11.40 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Richard Vaughan with Rush Hour. 9.00 John Toogood with Downtown. 11.03 In Town. 12.03 p.m. David Simmons' Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 6.10 Carry On Councillor. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Guidelines. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

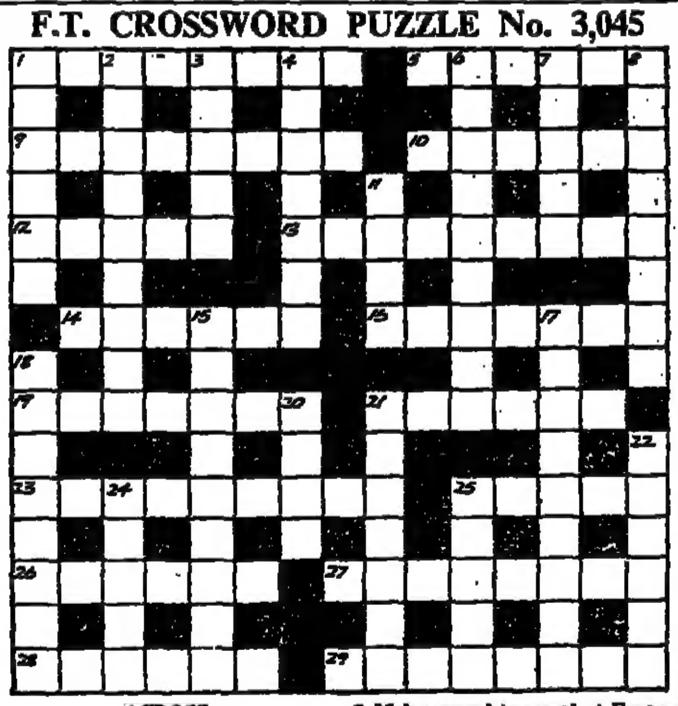
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show 12.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,045



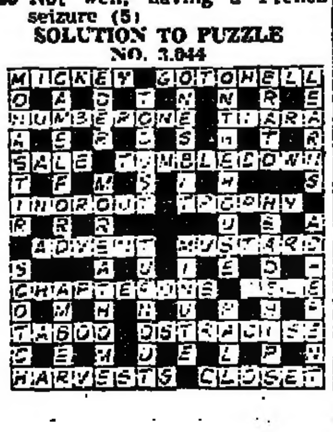
ACROSS

1 Dressing a boy in dirt (5 3)
5 Guide straight to the point (6)
9 Embrace airman going to east for jewellery (8)
10 Total possessions of Oriental going to public welfare (6)
12 Concur with note in time (5)
13 The tool to give effect to (9)
14 Representation that is universal in the country (6)
16 Observes advertisements (7)
19 Speak directly to the place where one may be found (7)
21 Offal from the South? It could be rank! (6)
23 Walk with offspring, one's relative by marriage (9)
25 Join United Nations, I must take note (5)
26 Bird requiring extra large victims (6)
27 Temporary structure—it could mean the end (8)
28 Days in which the Spanish create hindrances (8)
29 Claim to make a false allegation (6)

DOWN

1 Type of wood used for footwear? (6)
2 Tore ornamental fabric and scolded (9)
3 Dig and slope suddenly . . . (5)
4 . . . or intend to make a ramp (7)
6 The rank of an examiner? (9)
7 Make proud in revel at Easter (5)
8 Sit up after one in a tree making a written composition . . . (8)
11 . . . and love writer to be frank (4)
15 Try to accept each hesitation but it's betrayal (9)
17 Island cereal — from the tropics? (9)
18 Dad's weapon—may be required when entering camp (8)
20 Transport, using drink containing gas, or . . . (4)
21 . . . transport, using a cocktail (7)
22 Interfere with the decoration it's said (6)
24 Drive out of Sussex pell-mell (5)
25 Not well, having a French seizure (5)

SOLUTION TO PUZZLE No. 3,044




Francesca Annis and Ian McKellen — Trevor Humphries

Cinema

Australian hero

by NIGEL ANDREWS

Between Wars (A) — Gate
Benji (U) — Studio One
The Ultimate Warrior (AA) — Electric Cinema
Devices and Desires and Violent Summer — National Film Theatre
A Delicate Balance (AA) — Curzon

There are welcome signs that the Australian cinema is coming of age. Over the past 12 months at least three new films from that country have surfaced with acclaim at international festivals—Peter Weir's *The Cars That Ate Paris*, Ken Hannam's *Sunday Too Far Away* and Michael Thornhill's *Between Wars*. Weir's film has already visited London, Hannam's cannot be long (one hopes) in finding a British distributor, and Thornhill's opens this week at the Gate cinema. To those who had begun to think that Australian cinema was restricted to the beer-swilling, chundering adventures of such as Barry Mackenzie and his ilk, Thornhill's film will come as both a relief and a revelation.

It is the first Australian film I have seen that looks at its country's history with a critical eye, and that combines a lively sense of period with some mordant moral and political insights. Thornhill's hero is a young Australian doctor, played by Corin Redgrave, whose story we follow from apprenticeship in the first world war, where we see him treating shell-shock victims, to a turbulent career in his native Australia where he tries to champion psychoanalysis and the teachings of Freud to a sceptical medical establishment. Reason wins out over prejudice at last, but only after the hero's struggle has threatened at times to cost him both his career and his marriage.

Thornhill hangs his barbed observations of Australian philistinism on an attractively spry and picaresque storyline—a sort of Australian *Arrowsmith* with Redgrave's idealistic young doctor the centre of gravity in a slippery and comically defensive world, where the doctors often seem battier than their patients (the Blimpish supervisor of Redgrave's wartime mental hospital), and where the vivacious social trappings of the Twenties and Thirties conceal a melancholy, unstable world poised between two world wars.

At times the film makes rather heavy weather of its social history. The epic time scheme (1918 to 1939) is perhaps a little too epic (especially the coda with a grey-haired Redgrave bidding his son farewell as the latter sets off for World War Two—with heavy intimations of the story beginning all over again), and one or two of Thornhill's supporting actors leave something to be desired. But it is a courageous and interesting film; and the best antidote imaginable to the rash of *Storks* and *Petersens* and *Alvin Purples* with which Australian cinema has lately become identified.

Showing in the same programme is another tribute to the inter-war period. Christopher Mason's *England Home and Beauty*. A conducted tour of 1930s British design, it appends the words of sundry critics and designers of the period—Marcel Breuer, Paul Nash, Nikolaus Pevsner, Le Corbusier—to a glittering array of contemporary bric-a-brac: the exotic Art Deco ornaments, the Bauhaus-inspired furniture, the suburban stained glass, the chunky, geometric patterns on carpets and curtains and wallpaper. The film was shown on television some weeks back, and is well worth catching anew on the big screen.

★

Having failed to sit dry-eyed through my first viewing of *Lassie Come Home* some months ago, I was prepared to be similarly stirred by *Benji*: the story of a bedraggled terrier who befriends two young children, son and daughter of a doctor in a small, American town, and intervenes with heroic success when they are kidnapped by a gang of teenagers and held for ransom in a derelict mansion. The film was made by an independent production company in Dallas Texas and went on to score a prodigious success in the United States. It has earned 31 million dollars to date and has spawned such picturesque by-products as Benji T-shirts, Benji slippers, Benji toys and Benji badges.

It turns out to be an odd mixture of Disney cuteness and hoary Hollywood melodrama. The film's beginning is innocuous enough — Benji's daily scamper through the town en route to the doctor's house, his daily meeting with sundry townsfolk (Edgar Buchanan as a bluff cafe owner, Terry Carter as a friendly negro policeman). But the cloak-and-dagger plot that follows stretches credulity; and the further injection of a poignant love interest (Benji has a fluffy female companion whose safety he is forced to jeopardise for the sake of the children) and of flashbacks (scenes from the kidnapping flash through Benji's brain as he runs for help) render the proceedings so anthropomorphic that one wonders why writer-director Joe Camp didn't go the whole way and let the animals speak as well. Dog-lovers will love it. Other filmgoers should take with them a large pinch of salt.

★

The Ultimate Warrior is set in 2012 AD. New York City is slowly recovering from the series of plagues that devastated it in the 1980s, and the city's population has divided into "communes." Food is scarce, battles between the communes frequent. For Max von Sydow, ageing leader of one such beleaguered group, time is running out. Before it is too late he hopes to smuggle his pregnant daughter out of New York City in order that she and her child can escape to a distant, more fertile part of America and begin a new life.

The Electric cinema has rescued this engaging oddity from oblivion after its brief, unsung run on the local cinema circuits. (It partnered *Lisztomania*.) Its bleak, Spartan vision of future society is strangely persuasive: and though there are some improbable moments—chiefly those involving Yul Brynner as a hired fighter employed by von Sydow to defend his commune and later to escort his daughter to safety—the film gains rather than loses from the aesthetic limitations imposed by a small budget. (It seems to have been entirely shot in a studio.) The film was written and directed by Robert Clouse, none of whose previous films (*Enter The Dragon*, *Golden Needles*) gave evidence of the quirky, imaginative talent displayed here.

★

Two new British independent films surface at the National Film Theatre this month. Giles Foster's *Devices and Desires*, showing on April 22, is the story of an eccentric country vicar who is possessed of the belief that he has found the site of the old Roman capital of Britain, Camulodunum. He spends his time digging up a supposed Roman temple situated on a neighbour's land, interrupting his work only (and reluctantly) when pastoral duty calls. Based on the diaries of a real-life cleric who lived in the 18th century, Foster's film develops its story with a sly, leisurely humour and boasts a beautifully detailed performance by Frederick Treves as the vicar. Worth a visit.

Matthew Chapman's *Violent Summer* is a tale of love versus totalitarianism in an Orwellian Britain of the near future. A young couple (Deborah Norton and Bruce Robinson) escape to the country, then to the woods, as the bureaucratic evil of the "New British Party" spreads through the land. It's an effective film, not least in its ability to blend a complex moral allegory with a gripping adventure story. It shows at the NFT on April 7.

★

The latest addition to the British Film Theatre season is Edward Albee's *A Delicate Balance*. The film boasts an all-star cast (Katharine Hepburn, Paul Scofield, Lee Remick, Joseph Cotten), sensitive direction (by Tony Richardson) and immaculate photography and design. But the claustrophobic magic of Albee's play has escaped somewhere on the journey from stage to screen. What was resonant in the theatre seems solemn and pedantic here, and one comes away from the film feeling that Albee's work more than most needs the taut, hothouse atmosphere of a live theatre.

Shakespeare Theatre

…omeo and Juliet

by B. A. YOUNG

…ar's bare stages could …al that we were in the …kespeare Theatre. In …unn's production this … stage is just as bare, …idd to the Jacobean …ie auditorium has been …o the auditorium of the …ayhouse, with an open … proscenium arch un…sguised and two bal…ws of seats running … back of the stage.

…ntemporary atmosphere …er sought by holding …ng within very narrow … dark and light, and …all the torches and lan…the play unlit. All such … proves irrelevant to the … of the production in the …has to stand or fall on …ng just like a produc…Tree or Irving or Peter

…ain characteristic is a … flamboyance. Never … much trouble taken to …ction to the word, how…lest the word might be. …es the effect verges on …ard: Michael Penning…ercutio, for example, …rve in a puppet show … dialogue taken away, …has to demonstrate in …very last thought that …s convey.

…ders, on the whole, set … example, being, I sup… least excitable. John …e. as Capulet, speaks … better than anyone else …ompany; but even he is … to display such ill…with Juliet when she de…arriage with Paris that … her to the ground. As … (nearer in looks than …, the age of 26 that Shakespeare suggests), Barbara Shelley becomes almost as violent against Romeo when she encounters him in the tomb.

The young are unrestrained, however. The Montague gang act like a bunch of yobbos: Romeo's costume (Chris Dyer is the designer) is as near as you can get to blue jeans in a 17th-century ambience. Paul Shelley's Tybalt from the other side sets them such an example in restrained behaviour, even at its most quarrelsome, that my sympathies inclined constantly towards his side.

Ian McKellen does not look like a natural Romeo. He tries hard to invest his personality with youth by making all his entrances and exits at a run, but he does not seem to include genuine romance in his armoury. The athleticism he displays in climbing over orchard walls and jumping from balconies suggests Cyrano rather than Romeo, and even in his dying speech he would clearly like to be heroic, not pathetic.

Juliet in the performance by Francesca Annis does look appropriately like a little girl, even if she can't be 13, an age invented by Shakespeare presumably to suit whatever boy took the part in his company. But she too remains obstinately adult, even in some of those touchingly childish lines like "Take him and cut him out in little stars." Marie Kean plays an Irish nurse, often moving, though she is another one to overdo the emotions. She and Juliet simply can't stop laughing at that joke about what Juliet said when she fell over and cut her face ten years earlier.

…ival Hall

Barenboim

by DOMINIC GILL

Barenboim last night …d the cycle of all four …humann's symphonies …e has conducted on the …Bank with the London …monic Orchestra this … rounding off the …e with the C major sym… second in number, … third in order of com…the "capricious and re…" song of triumph over …ering which Schumann … and in the next year …moment set behind him, the last months of 1845.

…performance could be …up in three words: …but stirring. There are …tors who measure …nn's Second with more …dash of strict classical…t. Barenboim's account …uifiently late-romantic—…very melody its fullest, head, surged into every …with gusto, transformed …ts anxious melancholy …arning into gentle high…

The performance every…substituted enthusiasm for close focus, close working in the scherzo, whose little dovetailings of strings and wind were never particularly neat, driven with splendid vigour; in the adagio, where careless phrasing did not significantly dull the powerful espressivo momentum, heavily rubato, but all the same quite without schmalz in the finale, forged with fairly un-Schumannesque beefiness, but still forceful and exciting.

To begin with, we heard an account of Schubert's Unfinished symphony similarly burred at its stylistic edges, infused with the same warmth and energy—a first movement grand and spacious, proudly anguished; a solemn, serious con moto, coloured with some nice solos from clarinet, oboe and flute. And meanwhile, a performance of Elgar's ever more exquisitely embarrassing *Sea Pictures*: sung with the most persuasive, admirable restraint—and even, in Elizabeth Barrett Browning's ghostly, ghastly Sabbath morning at sea, with real nobility—by Yvonne Minton.

David Blair

…former Royal Ballet … David Blair was found …his London home yester… Born in 1932, he was …r dancer with the Royal …for 16 years from 1955.

…ent Crisp writes: David …made his mark as a mem…that remarkable genera…dancers who found early…n with the Sadler's Wells …e Ballet. As a young and …d performer he came to …in two ballets by John …created for the theatre …*Harlequin in April* and …*ple Poll*. Aged just 21 he …rred to the Covent Garden …ny and began there the … which endeared him to a worldwide public. He created many important roles — notably in Cranko's *Prince of the Pagodas* and supremely as Colas in Ashton's *La Fille mal Gardée*.

He partnered many of the Royal Ballet ballerinas, but it was with Nadia Nerina that he made such an exciting contribution to the classic repertory at Covent Garden in all the princely roles, to which he gave a fine dignity and bravura. His farewell performance as a principal of the company was as Colas in 1973. Our happiest memories must be of him in this great role, which will always remain as a portrait of a charming and gifted man whom ballet can ill-afford to lose so tragically soon.

Polish theatre—1

Through sickness and death

by FRANK LIPSIUS

The Polish theatre and film world has recently lost a number of important young directors, actors and composers—Munk, Kobiela, Cybulski—men in their forties killed in sudden accidents. Among them was Konrad Swinarski, whose production of Mayakovsky's *The Bedbug* was in the last weeks of rehearsal when he died at the age of 46 in the autumn air crash over Prague. The production's designer, Ewa Starowieyska, reluctantly took over the final stages of rehearsal—not just an uncomfortable but also a formidable task, for Swinarski, who directed the world premiere of *Marat/Sade* and spent part of his training as personal assistant to Brecht at the Berliner Ensemble, was recognised for his genius in his own lifetime: all of his work was treated as a theatrical event in Poland, a country that suffers no dearth of theatrical talent.

Always faithful to an original text, Swinarski could still penetrate into unrealised nuances of character, while indulging in delightful antics and building an overwhelming impression, diminished neither by memorable scenes and characters nor by a profusion of impressionistic but evocative sets. Taking over the production was not made any easier by the number of actors on stage—60 in the sportsground scene at the end of the second act (a lot, but modest compared to a previous Swinarski production of the play in West Berlin, in which 240 actors were on stage at one time).

With such large number on stage, playful interludes provided by a marching band, and vivid colours for sets and costumes (like a number of Polish directors, he started as a set designer), Swinarski could match the film directors' more easily realised skill in manipulating moods with a quick change of scene and tempo, and could make equally good use of the confined space of a theatre to build a scene slowly towards a thoroughly satisfying climax.

In an uproarious scene played without a word, the crude and playful bedbug, done with panache and a bright orange wig by Tadeusz Lomnicki, smokes, drinks and draws the aloof, antiseptic doctors into physical contact, which they find repellent, much to the delight of the obstreperous little man—and the audience. The marriage scene in the first act is also spare in words but generous in expression, imperceptibly turning the celebration of a rather sombre, self-serving marriage into a lively and hilarious feast.

The Stary Theatre in Crakow, where Swinarsky was a staff director, has his production of Mickiewicz's *Forefathers*, which played briefly last summer at Southwark Cathedral in London. Called by some critics the high point of Polish theatre since the war, the production has a special meaning in the context of Polish theatre, for the play itself, written in the mid-19th-century, is a rousing, bitter attack on Russian occupation and dismemberment of Poland.

A production of the play not long ago at the National Theatre was considered a political provocation by the authorities when the famous improvisation speech was delivered with manacled hands. Now Swinarski's production, with beggars observing the well-heeled student revolutionaries and cracking hard-boiled eggs during their impassioned diatribes, adds a whole new dimension of the masses unaffected by revolutionary rhetoric and the luxury of self-sacrifice.

Also in Crakow, I had intended to see a production of Gombrowicz's *The Marriage*, but in a two-week stay in Poland, three productions I hoped to see were cancelled because of actors' illnesses, one of them this *Marriage*. Instead, I saw a rather conventional production of two Chekov one-act plays, well-acted as farce, especially by Jerzy Binczycki, an actor with the Stary company who directed the plays in a way that showed him to good advantage. The last page of the programme of the Chekov plays announces Swinarski's forthcoming production of *Hamlet*, which, however, was left in too rudimentary a form even to attempt to produce in accordance with his intentions.

Tadeusz Rózewicz's *Mariage Blanc*, a take-off of late nineteenth-century prudery and repressed sexuality, is included in a partial retrospective of Rózewicz's work at the Maly, the National's small companion theatre. Edward Rauch, who in *The Bedbug* played a robust mother-in-law, as imperious and rich as one would imagine of pre-revolutionary Russia, makes an equally comic, womanising pater familias under Tadeusz Minc's deft direction in *Mariage Blanc*. *The Card Index*, Rózewicz's first play, now more than 20 years old but revised for this production, has a bedroom setting particularly well suited to the relaxed atmosphere of this two-year-old theatre housed in the basement of a modern Warsaw shopping complex. With individual armchairs for seats, banked only slightly around a large central space, the stage gives the impression of a luxurious and spread-out Young Vic.

While both Rózewicz plays deal with adolescent apprehensions about the world, *The Card Index* has a shy, fantasy-ridden young man, embodied by the appropriately diffident and personable Wojciech Siemion, whose activities are confined mainly to his bed; and *Mariage Blanc* tilts at all the nineteenth-century mores and conventions, scoring notable points against demure young womanhood when Barbara Sulkowska takes a healthy, if somewhat lusty, interest in her maturing body and her newly discovered desires.


Corin Redgrave, Judy Morris and hoop-la lady in 'Between Wars'

RAM

Solomon

by NICHOLAS KENYON

Sir Anthony Lewis's appearances in his old role of Handel conductor are now unfortunately rare enough for each to be very memorable: I can mememberr few more enjoyable evenings than his BBC recording of *Tamerlano* with Janet Baker, Maureen Lehane and Alexander Young a couple of years ago. His sure sense of pacing and of climax are unrivalled, and with a Boult-like flick of the wrist he can indicate the central point of tension in a piece of Handelian architecture with unerring skill.

On this occasion, though, in his present role of Principal of the Royal Academy of Music, he was unable to provide enough stimulus to his student forces to make them reveal the full riches of *Solomon*. Both choir and orchestra were singularly lack-lustre, the choir unable to sustain the breadth of such choruses as "With pious heart," and the orchestra managing to make 16 violins sound like at least 40 ill-tuned Susuki schoolchildren.

In the second and third parts both acquired some rhythmic drive, and there was lyrical singing in "Flow sweetly the numbers" as well as good oboe contributions to the Queen of Sheba's arrival and to her aria "Will the sun forget." But the evening was more notable for the solo singing: a powerful yet sensitive first woman from Jillian Mascall, a well-projected but at times unpleasant Solomon (in Parts 2 and 3) from Michael Procter, a valiant Zadok from Nicholas Johnson and a clear, well-rounded Queen of Sheba from Sara Mousley. Brian Gordon, who sang Solomon in Part 1, is clearly a counter-tenor to watch: he is occasionally insecure, but possesses a voice of real beauty which provided the evening's only moving moment in the long ornamented phrase "Did I but own Jehovah's power."

Student performances are usually forgiven because of the enthusiasm they exhibit. But it was difficult not to notice that almost everyone, both on the stage and in the audience, gave no sign at all of enjoying this major Academy event. It did not give the impression of a flourishing institution. What is wrong?

WORLD TRADE NEWS

CBI rejects criticisms of export efforts to Gulf

BY PAUL BETTS

CRITICISMS OF poor British export performances in Kuwait and the United Arab Emirates were rejected yesterday by the Confederation of British Industry.

The criticisms were contained in a special report by the Commons Select Committee on Science and Technology which visited Kuwait and Abu Dhabi last summer. They came on the day when the Saudi-British joint commission on economic co-operation concluded its first session on a disappointing note.

Yesterday, the National Economic Development Office published a report which also urged an improvement in Britain's exporting performance in the oil-producing countries. It claimed that the rate of growth of British exports to these countries was lower than any of its principal competitors.

The MPs said in the report that they were disturbed to hear that British exporters were reluctant to compete in those markets and that there were too many "goodwill visits" without the back-up characteristic of some competitors.

There was considerable scope for increased trade between the U.K. and the Emirates and that *this was "enhanced by the high* regard with which the U.K. is viewed.

Although the MPs said that in some parts of the Gulf, British construction firms were enjoying success, they were surprised to find, particularly in Kuwait, that there was an apparent reluctance to tender for large construction projects and to compete for servicing and maintenance contracts on completed developments.

"There were some British products for which there was a clear demand but which were apparently unavailable, for instance, Range Rovers," the MPs reported.

As a matter of priority they recommended that the Government should invite scientific and technical delegations from the *Emirates, and they concluded it* was imperative "that a determined export drive be carried out in this market fully supported by the Government's resources."

Second Special Report from the Select Committee on Science and Technology. House of Commons Paper 234. SO; 32p.

UK role in Saudi five-year plan

BY RICHARD JOHNS, MIDDLE EAST EDITOR

SOME PROGRESS towards identifying more precisely areas where Britain can assist in implementing Saudi Arabia's $142bn. five-year plan was made at the first meeting of the joint commission on economic co-operation which ended in London yesterday.

Sheikh Abdullah Alireza, Saudi Deputy Foreign Minister, with special responsibility for economic affairs, stressed: "We were not here to sign any contracts but to lay the ground work to assist both sides to achieve their objectives."

At a Press conference following the last session the leader of the Saudi delegation stressed that the extent of British participation in the Kingdom's development would depend "on the efficiency and competitiveness of your companies and the assistance you give us to break our bottle-necks."

In other words, consultancy agreements reached on a government-to-government basis within the framework of the commission will not necessarily lead to the placing of contracts or orders for goods with U.K. companies.

It was agreed that there were four priority areas for the commission: education training, and the provision of experts; infrastructure; joint industrial development and agriculture.

On the industrial side, the communique noted that, with the support and encouragement of the Government, 200 U.K. companies had been identified as being interested in co-operation *with Saudi companies, of which* 60 were considering joint ventures.

Sheikh Alireza emphasised Saudi concern that foreign companies should take an equity stake.

Mr. John Caines, Under-Secretary at the Department of Trade who headed the British side, paid tribute to Lord Limerick, Chairman of the Committee on Middle East Trade, for taking up the Saudi point of view "very energetically" on this question.

As for infrastructure, the U.K. component of the commission offered to participate in a wide variety of projects in the following fields: new towns, ports, electrification, health and education, training, telecommunications, railways and roads.

Members of the commission were reluctant to give details of the discussions. It is understood, however, that co-operation has progressed particularly well over new towns and urban development.

Mr. Caines said that exchanges involving the Department of the Environment had been taking place for over a year now. However, contracts won by Covell Matthews Partnership to design and Bryants International to manage the project for a £175m. *new garden city near Jeddah*—a private sector scheme—has nothing to do with the commission. The involvement of the British concerns was announced on Wednesday.

The commission discussed Saudi regulations on performance bonds under which a company bidding successfully for a public Saudi contract has to set aside 10 per cent. of the total contract value. With the associated problem of bank guarantees, it has proved a major inhibition to British and other foreign companies, *although some backing* is now being given by the Export Credits Guarantee Department. However, Sheikh Alireza made it clear that his Government had no intention of relaxing the present rules designed as "an incentive" for contractors to perform efficiently.

New town contracts Page 9

Japanese sign $25m. loan deal with USSR

By Peter Duminy

TOKYO, April 1.

THE FOURTH major Japanese involvement in Russian natural resources has at last materialised, with the signing in Paris yesterday of a $25m. loan agreement to part-finance the proving-up of natural gas reserves in the Yakutsk.

A similar agreement has been concluded between the Russians and the Bank of America, acting for the American partner in the trilateral venture, El Paso Natural Gas.

Participation in the West Siberian project was first offered to the Japanese in February 1973 and agreements of intent were concluded the following year, at which stage it was envisaged that the Japanese and Americans would each put up $100m. towards a $600m. venture. However the whole scheme was thrown into the melting pot by the U.S. Import Bank's inability to participate on political grounds, and it has taken since then to assemble commercial American backers on terms acceptable to the Russians.

The Japanese Government refused to sanction the project unless there was at least an equal American involvement, this being in line with the well-known reluctance of the Japanese to become unilaterally involved in massive expenditures and long-term commercial arrangements in the USSR. There have been estimates that it will eventually cost more than $3.5bn. to bring the gas field to production, at which stage each of the foreign participants will be entitled to 10bn. cubic metres of natural gas a year for 20 years.

The fact that the foreign interests are putting up only a quarter of the orginally-intended contribution, is being explained as a Russian preference arising from the fact that in the past two years of stalemate they have been able to assemble a large part of the working capital. However, it appears more likely that the Americans would not come in with more than $25m. at this stage.

The Japanese loan is being provided largely (as to 80 per cent.) by the official Ex-Im Bank, with the balance coming from private sources. It is a six-year yen loan and will carry interest of 8.375 per cent. Terms of the U.S. loan will undoubtedly be less favourable.

The other Russo-Japanese joint ventures under way are the Yakutsk coking coal operation (to yield 10m. tons a year for an outlay by the Japanese of $585m.), a second-phase timber procurement operation and offshore oil and gas exploration around the island of Sakhalin.

Israeli rail network extension

By L. Daniel

TEL AVIV, April 1.

THREE FOREIGN countries are ready to finance the extension of the Israel railway network to Sodom and to Eilat, which would make a direct rail connection possible from Israel's northern border to its southernmost port. The investment involved is put at about £40m.

Announcing this, Israeli Transport Minister, Gad Ya'acobik, refused to identify the countries concerned. At present the line terminates at the phosphate mines at Oron and is now being extended to a newly opened-up field in the neighbourhood.

It was also learned to-day that a consortium of British firms is about to put in a bid for the award of consultancy services at the new Israeli international airport to be built at Eilat. Clearly if this contract goes to Britain, it would bring in its wake the placing of orders for equipment with U.K. manufacturers. West Germany has already submitted a bid.

Construction machinery in China in bigger demand

BY COLINA McDOUGALL

CHINA'S demand for construction equipment will increase at an annual rate of 8 to 10 per cent., a market report just published by the U.S. Department of Commerce, estimates. Although domestic production will expand, it is unlikely that it will be sufficient to meet the demand.

Imports of construction machinery are therefore likely to grow at a rate of 8 to 10 per cent. annually over the next 10 years. This growth rate indicates that by 1985 China will be purchasing annually $60m. to $75m. worth of construction machinery including trucks. Between 1966 and 1974, it is estimated that imports of this equipment averaged $25m. to $28m. annually.

These imports will probably focus on bulldozers, shovel loaders, power shovels of the eight to 15-yard size, hydraulic truck cranes, pipe layers and off-highway trucks of 80 to 200-ton capacity. Sales potential also exists for motor-graders, scrapers and road rollers, so the extent of this potential depends on the future development of China's road building programme. Until China develops a capability to produce spare parts for these machines, a market for those also will exist.

Although the various types of Chinese construction equipment currently being produced are impressive in view of the speed with which China has had to develop the industry, there is a definite technological lag between its machinery and that produced by the leading industrialised countries.

South African deep water port

BY STEWART DALBY

CAPE TOWN, April 1

THE FIRST major port to be built in South Africa since the formation of the union in 1910, at Richards Bay, was to-day formally opened by Mr. John Vorster, the Prime Minister.

Initially the port, which is the country's first deep water port and which is approximately eight times the size of Durban Harbour, the country's leading sea outlet until now, will be used for the export of coal.

Mr. Vorster in his opening address said that the export of coal which began to-day would be at the rate of 5m. tons a year building up to 9m. tons a year *by October 1 this year.* There would additionally be 3m. tons a year coming from the Transvaal giving a total of 12m. tons.

The Prime Minister said: "It is estimated that coal exports through Richards Bay during its first year of operation will earn the country at least R100m. (£66m.) in foreign exchange while the total value will move up to R700m. (£396m.) by 1980 even at present price levels." A new special railway line has been built from the Transvaal to ship the coal.

USSR-Hungary agreement

By Paul Lendvai

VIENNA, April 1.

HUNGARY will receive during the next five years additional deliveries of Soviet crude oil, petrol, cotton, sawn timber and other raw materials in exchange for wheat, maize and beef shipments. An agreement just signed in Moscow by Hungarian Foreign Trade Minister Jozsef Biro and his Soviet counter-part Mr. Nikolai Patolichev envisages mutual deliveries to the tune of Forints50bn. (about £1.24bn.) during the 1976-80 period.

Announcing this on his return to Budapest, Foreign Trade Minister Biro revealed that the barter deal is the first agreement under the long term programme of Soviet-East European co-operation in the field of fuels and farm products.

It must be stressed that the new deal envisages deliveries outside the framework of the normal five year trade agreements, and additional to the contractual shipments fixed in the annual or five year agreements. Mr. Biro also stressed that the initiative to conclude the barter deal had come from the Hungarian side.

The deal represents an important change in Hungarian foreign trade policy since until the import stop ordered by the European Community in 1974, 80 per cent. of the beef and almost 100 per cent of cattle exports were shipping to Western Europe, primarily Italy.

AMERICAN NEWS

Road haulage badly hit as Teamsters' strike begins

BY GUY DE JONQUIERES

NEW YORK, April 1.

A SUBSTANTIAL part of the U.S. road haulage industry ground to a halt this morning, as members of the Teamsters' Union began their first-ever nationwide strike after negotiators failed to reach a new three-year contract agreement by their midnight deadline.

Negotiations between Teamsters' officials and road haulage operators were continuing to-day in Arlington Heights, Illinois, however, in an effort to achieve a settlement involving about 440,000 truck drivers. Spokesmen for both sides appeared cautiously optimistic that a final agreement could be reached quite soon.

Some Teamster-driven trucks were still rolling to-day under agreements reached at local level. But even a few days' strike would have a serious impact on shipments of manufactured goods—about 60 per cent. of which are moved by *road—and a stoppage of a week* or more would probably lead to plant closures in a number of key sectors.

The Ford administration estimates that a prolonged Teamsters' strike would throw more than a million people out of work temporarily and cost about $300m. a week in lost production. Among those industries most critically affected would be car-manufacturing, tyre production, steel and food-processing.

If a lengthy stoppage seemed likely, though, the administration would almost certainly invoke the Taft-Hartley Act, compelling strikers to return to work for at least 80 days or face prosecution. But President Ford appears unwilling to exercise this option immediately, in the hope that a settlement can still be achieved within the next few days.

Meanwhile, the threat of strike action which would have paralysed New York City's bus and subway services was averted early this morning, when municipal transport workers and city government officials agreed on a new three-year wage contract.

The settlement, which is esti*mated to cost almost $100m.* in additional wages — chiefly in the form of cost-of-living increases—must still be ratified by the rank and file and approved by the Emergency Financial Control Board, the State-controlled body set up last year to monitor the city's finances.

But the chairman of the Metropolitan Transit Authority, Mr. David Yunich, said to-day that the agreement fell within the constraints imposed by the city's financial austerity plan. He said that it would not require any further increase in the foreseeable future in the city's basic transit fare, which was raised to 50 cents from 35 cents last year.

The eventual *outcome* of the Teamsters' negotiations is being keenly awaited by President Ford's economic and labour experts because it could have an important influence on other agreements reached through collective bargaining this year, when contracts covering about 4.5m. workers are up for renegotiation.

The exact demands and offers being discussed to-day have not been disclosed, but late last month the Teamsters leadership suggested that they were aiming for a package containing an increase of about 30 per cent. over the life of the contract, with a first-year increase of 10 per cent. or more.

'No hitches' in nuclear treaty

BY DAVID BELL

WASHINGTON, April 1.

THE United States and the Soviet Union still expect to com*plete a treaty which will limit* the size of peaceful and military nuclear explosions and provide for on-site inspection by either side if necessary.

The agreement, which was supposed to have been completed by yesterday, will be the culmination of two years of complex negotiations between the two sides which began after former President Nixon met Mr. Leonid Brezhnev, the Soviet leader, in Moscow in July, 1974.

At that meeting the two *leaders agreed in principle on* the desirability of a treaty limiting explosions to 150 kilotons whether they were for peaceful or weapons purposes. They also accepted that there would have to be on-site inspection to verify some of these explosions, particularly if they involved multiple detonations for a civilian project such as the excavation of a trench in which the combined yield of the explosions would exceed 150 kilotons.

The limit on military explosions was chosen by both sides as the lowest level on which they could both agree. As for peaceful explosions, the U.S. has no plans to use nuclear explosions for large scale *engineering or any other similar* projects, having spent ten years researching into the possible use of nuclear energy for such purposes.

But the Russians are understood to be considering the use of controlled, peaceful nuclear explosions to make canals to divert water to raise the level of the Caspian Sea. In that case more than one explosion would be necessary and the remaining details of the treaty which are now being worked out include the best way to monitor such explosions. It is likely that the two sides will finally opt for a mixture of remote control sensors and personal inspection.

Both the White House and the State Department insisted yesterday that there have been no hiches in the treaty and that both the U.S. and the Soviet Union are still committed to signing it.

Solar energy plan cut

BY DAVID FISHLOCK, SCIENCE EDITOR

PLANS FOR a new U.S. national research centre for solar energy have been scaled down to only one-tenth of the original proposal, on the grounds that its authors had concentrated on what it should look like, and largely ignored the question of what it might do.

Instead of a research centre employing 680 scientists, with an annual budget of $48m., as was proposed by the National *Academy of Sciences following* a major study of the prospects for solar energy, the U.S. Government is now proposing a first-year budget of only $4m.-$6m.

According to the journal Science to-day, officials at the Office of Management and Budget, "ever alert for empire-building proclivities," have forced a rethinking of plans described as "very ill-defined."

They believed that its main function initially should be to provide analytical support for the relatively thin management *ranks in the solar energy pro*gramme of the Energy Research and Development Administration.

WHOLESALE PRICE INDEX UP BY 0.2%

By David Bell

WASHINGTON, April 1.

DESPITE A continuing fall in food prices the U.S. wholesale price index last month edged slightly higher for the first time in four months.

The Commerce Department reported to-day that the rising cost of industrial goods and processed foods pushed the index up by 0.2 per cent. in March while the 1 per cent. fall in farm product prices was smaller than in recent months. Industrial commodity prices rose by 0.4 per cent. and processed food costs by 0.2 per cent.

Although one month's figures are regarded by the Commerce Department as a very unreliable guide, there is some apprehension about the rise in industrial prices which was much sharper than the previous month's 0.1 per cent.

Amex options deals probe

BY STEWART FLEMING

NEW YORK, April 1.

THE AMERICAN Stock Exchange (Amex) said yesterday that it is investigating a series of what appeared to be fictitious deals recorded in its options market. The Amex statement is the first evidence of incipient scandal in one of the rapidly growing U.S. securities' markets dealing in options to buy and sell stocks and shares.

The developments will be watched closely by the London stock exchange, which has its own committee examining the possibility of establishing a London options market possibly jointly with the Amsterdam stock exchange. The Amex options market is one of the less important U.S. options markets, the largest being the Chicago Board Options Exchange. Amex itself is unwilling to go into details about the reasons behind the fictitious trading or how it discovered the trades. It merely points out that the deals were picked up by its own market surveillance procedures.

It seems likely however that reporting cards which are filed to record individual trades were put into the reporting system recording option deals which had not in fact taken place. It is most likely that this would have been done in order to artificially change option prices to the advantage of certain specialist dealers.

Amex is not disclosing the names of those it is investigating but it warns that disciplinary action may be taken.

TEXAS ENERGY RESERVES

Running low on gas

BY PETER HEYNE, IN HOUSTON

TEXAS had a superabundance of oil and natural gas for nearly three-quarters of a century. It created legendary fortunes, an incredibly healthy economy, and made Houston the world capital of the petroleum industry. But reserves are rapidly depleting, even to the point where some Texas businesses, especially utilities, are forced to prepare for alternate fuels.

For the average Texan this fact has not quite sunk in yet. To him America is running out of oil—not Texas. Texas without its abundant oil would be like Britain without its royalty—quite unimaginable.

The Government body closest to this energy problem is the Texas Railroad Commission. Since the late 1920s, the commission has been the State conservation authority, and has had more to say about what happens to Texas oil and gas than any other, including the Federal Government in Washington. It also regulates many of the day-to-day operations of the 4,000 oil and gas companies in Texas, and over the years has been responsible for the industry's orderly development. The Railroad Commission holds the distinction of being the only Government body in the world that Texas oilmen have any faith in.

Three men head the commission, which has offices at Austin, the state capital. They are elected for six year terms and are usually lawyers with no previous connection with the petroleum industry. They have a 550-man staff, 290 of whom work [illegible] are several other energy-related divisions and one which handles the affairs of the state's railway system under its original charter.

The Railroad Commission used to regulate almost half of America's hydrocarbon production between the 1930s and 1950s. Now the level is down to about a third, which still makes it one of America's most powerful regulatory agencies. The 200,000 oil and gas wells in Texas daily produce about 3.2m. barrels of oil and 21.5bn. cubic feet of gas.

This is the energy picture which confronts the commission: the state now has about 33 per cent. of the gas and about 34 per cent. of the oil reserves of the U.S. At the beginning of 1975, gas reserves in Texas were about 78.5 trillion cubic feet, 37.2 per cent. less than in 1967, the peak year, when reserves were 125 trillion cubic feet, according to the figures from the American Gas Association.

Crude oil reserves at the beginning of last year stood at 11bn. barrels, 28.1 per cent. below the peak year in 1951, when reserves were 15.3bn., according to the American Petroleum Institute. About 10 per cent. of this drop has occurred in the last three years. Texas oil and gas reserves haven't been so low since World War II.

In the past, new discoveries always replenished or built up the reserves. The current feeling among oilmen is that most of the large fields (500,000 barrels to over 1bn.) have been found, and that it is now a matter of getting as much oil as possible out of known Texan fields and finding what smaller fields remain. Drilling has been feverish in recent years because of higher crude prices, but not enough has been discovered significantly to alter the State's energy picture.

"Even with the best incentives for exploration, Texas will never be able to return to its peak levels," says Mr. Jack Blanton, president of Texas Mid-continent Oil and Gas Association, one of the industry's largest organisations in Texas. "We are going to have oil and gas for a long time, but we are also going to continue to see this drop. The best we can do is to slow it down."

The decline of reserves, coupled with the resurgence of OPEC, has considerably altered the Railroad Commission's—and Texas'—power and influence. Prior to the 1970s, the amount of crude that oil companies wanted to buy from month to month often was below half of what the wells in Texas were capable of producing. By limiting output to those levels, the commission virtually set the domestic price of oil and had significant impact on the world price—though technically, by statute, it was forbidden to set prices. Critics called it industry-inspired price-fixing. The commission said it was conservation.

When the Railroad Commission was slow to allow increased production during the Suez crisis to help Britain, Texas came under attack in the British Press.

Things are very different these days. The oil surplus is gone, and so is much of the influence that Texas derived from it. Moreover, since the Arab oil embargo in 1973, the Federal Government has set U.S. oil prices. During [illegible] years, the Railroad has allowed the [illegible] pump at full [illegible] capacity, the [illegible] withdrawing oil [illegible] without damaging pressures. Yet the produce nearly [illegible] meet demand for [illegible]

Whereas the market for oil is [illegible] there is fierce [illegible] Texas oil for two [illegible] the price of Texas [illegible] U.S. oil, is regula[illegible] federal government barrel, which is [illegible] cheaper than foreig[illegible] runs to $12-15 a bar[illegible] the U.S. has a huge [illegible] its appetite for oil [illegible] can produce from [illegible] such as those in Tex[illegible] 30 per cent. of the oil [illegible] in the U.S. was for [illegible] rently this figure is [illegible] per cent., accordin[illegible] American Petroleum [illegible]

The commission responded to the [illegible] ages by speaking [illegible] issue and by starting end-use controls. [illegible] speeches and hearin[illegible] Congress, they blam[illegible] mentalists who, they hindered the oil and ga[illegible] and ridicule States hesitated to allow [illegible] their shores. They [illegible] virtually every policy federal Government [illegible] poses or enacts into [illegible] That is one of the ma[illegible] why Texas oilmen like [illegible] mission so much.

RIA SEES £800m DEFICIT IN 1975

isterity budget pegs ending, cuts imports

OWN CORRESPONDENT

LAGOS, April 1.

a deficit of some 300m.) in its balance last year, the Government has an austerity policy ng financial year by vernment expendi- ting imports and ank credits and-

dget broadcast here Nigeria's head of nant-General Oluse- warned his country- aside illusions about 's oil wealth and level of consump- ending.

stress that although has great potential t a rich nation," he h a population of nd oil production of barrels a day our rom oil are not atisfy the yearnings, and genuine needs ole for development and social services."

General Obasanjo said developments in the past fiscal year were not encouraging, and there were ominous signs of dangers ahead if the economy was allowed to remain overheated.

He blamed protracted port congestion, the decline in crude oil exports, increased Government expenditure and rapid expansion of bank credits to the private sector of the national economy for the ills of the past year.

Gen. Obasanjo said that apart from spending all its foreign exchange earnings last financial year, Nigeria also dipped into its accumulated reserves, which now stand at N3.1bn. (£2.48bn.) compared with N4.1bn. (£3.28bn.) at the end of the 1974/75 fiscal year.

He said the Government's current and capital expenditure will be pegged at N5.5bn. in the coming financial year, compared with an estimated record revenue of N5.7bn.

The third National Development Plan had been reviewed to give greater priority to housing, health and agricultural development, he said. All prestige projects in the five-year plan launched by deposed head of state General Yakubu Gowon have also been abandoned.

Gen. Obasanjo said that, in order to combat galloping inflation, duties on various building and other raw materials would be reduced considerably, while more determined efforts would be made to increase the supply of goods and services.

Foreign investments will be encouraged, and pre-payments for imports will continue, with slight modifications. The 5 per cent. reduction in company tax granted last year following a major salary award to workers will be restored in the new financial year, and all profits exceeding N6,000 (£4,800) will be taxed at the old rate of 45 per cent.

Quentin Peel adds: In his budget speech Gen. Obasanjo referred to the current programme of increasing Nigerian participation in foreign-owned companies, without making clear whether any specific changes had been made in the "indigenisation" laws. According to Radio Lagos broadcasts monitored in London, he emphasised that the current programme, under which certain categories of business must be 100 per cent. Nigerian-owned, and others only 40 per cent., would be continued "so that the spirit of the decree and its objectives could be fully realised."

The Government is to set up a Business Advisory Committee to "facilitate the granting of all approvals necessary for private enterprises," he said. The new arrangement should ensure that potential investors deal with only one central government agency, Radio Lagos said. General Obasanjo hoped that foreign business would continue to expand the opportunity for Nigerians to take part effectively at all levels of operations, including senior management.

The budget, however, includes a threat of restrictions on some imports, alongside the continued suspension of import duties on cement, while duties on other building materials will be considerably reduced. The policy of "unrestricted imports" will be reviewed, with some imports banned for up to six months. Medium-sized cars, which were a banned item, can now, however, be brought in "to avoid a shortage in the next financia year."

als, Nyerere discuss pressure on Smith

DAR ES SALAAM, April 1.

MINISTER of State als and Tanzanian ulius Nyerere to-day inute discussion on utting pressure on rs in Rhodesia into lack majority rule. ls, Minister of State ign Office, said that on with the President ted in an "extremely riendly atmosphere" art of the "continu- o" between the two

recognised that we use pressure on the eaders in Rhodesia to ere is an acceptance ransfer of power and ment of a majority ment," he said at a rence.

ls said that he "fully the decision by the of Tanzania, Mozam- wana and Zambia to rmed struggle in after the breakdown tional negotiations. id President Nyerere n hoped that "pres- n different sources" to the resumption of s at some stage.

als said that neither he ident Nyerere was that negotiations could ickly. But they hoped ld not be a long drawn-out war with heavy loss of life and that Europeans would recognise that the only way to avoid armed confrontation was the acceptance of majority rule.

Mr. Ennals said that he had made it clear to President Nyerere that there was no possibility of British military intervention in Rhodesia of any sort. The British Minister leaves here to-morrow for talks with Mozambique officials in Maputo. He said that the talks would cover British aid to Mozambique following its application of full sanctions against Rhodesia.

● In Salisbury, Prime Minister Ian Smith said that he plans to bring blacks into his cabinet and ease racial discrimination in Rhodesia generally. Mr. Smith made his remarks at a closed-door meeting of some 800 guests invited to a local cinema. Journalists were not issued invitations.

A businessman who did not want to be identified said that Mr. Smith was asked why he had not brought blacks into his Government sooner. The Premier had replied that the issue had formed part of the constitutional talks with leaders of the African National Council (ANC) and was one o the "cards" he used to try to negotiate a settlement for Rhodesia.

Agencies

S. African HNP loses its deposit

The ruling South African National Party retained its massive majority in yesterday's by-election in Alberton—the first since the Republic's involvement in Angola and the recent constitutional crisis in Rhodesia, writes Stewart Dalby from Johannesburg.

The National Party candidate, Mr. Chris Ligthelm, polled 6,801 votes, giving him about 80 per cent. of the vote compared with 77 per cent. at the general election of 1974.

The Herstigte Nasionale Party (HNP) made a little headway but lost its deposit. The HNP had been campaigning on a platform of national security and been suggesting that South Africa should go to the aid of Rhodesia militarily.

UN censure

With Britain, the U.S., France, Italy and Japan abstaining, the UN Security Council late on Wednesday approved a resolution condemning South Africa's "aggression" against Angola and calling for the payment of reparations, writes Our UN Correspondent. It also warned South Africa against using Namibia for provocations against Angola and other states. South African troops withdrew from Angola on Saturday but are presumed still to be in Namibia.

Egypt, Soviet row

Egypt has rejected a Soviet statement denouncing Cairo's unilateral abrogation of the friendship and cooperation treaty between the two countries last month, the Middle East News Agency said last night, reports UPI. The agency said Vice-President Hosni Mubarak refused to take delivery of the statement from Soviet Ambassador Vladimir Polyakov.

India Emergency

India's Ministry for Home Affairs has said the law-and-order situation in the country has been good since the proclamation of the emergency last June but that "there are indications of continued attempts made by absconding activists of the banned organisations and other anti-national elements to operate underground and disrupt life," writes Our New Delhi Correspondent.

West Bank deadline

The twice extended deadline for the registration of candidates for the municipal elections in the Israeli-occupied West Bank expired at 2 p.m. yesterday. Neither the Mayor of Hebron, Sheikh Ali Ja'abari, nor the incumbent mayor of Nablus, Haj Mazuz El Masri, submitted their candidature, our Tel Aviv correspondent reports. On the other hand, several candidates finally did come forward in Bir Zeit where recent student riots had deterred potential office holders from putting forward their names.

Syria and U.S. move to calm Lebanon strife

BY IHSAN HIJAZI

BEIRUT, April 1.

AS LEBANESE developments to-day moved towards a peaceful settlement of the crisis, there was a sharp drop in the intensity of the fighting. Palestinian guerillas, responding to Syrian pressure, have discontinued offensive operations and decided to shoot only when shot at. Damascus has formally announced it intends to go on with its initiative here and issued a strong warning to Left-wing leader Kamal Jumblat against continuing the clashes. The special U.S. envoy, Mr. Dean Brown, began his contacts with Lebanese officials and leaders.

The pro-Syrian faction of the Baath party here had earlier attacked Mr. Jumblat by name, calling him "the phoney king of the left" and accusing him of being a tool in schemes for partitioning Lebanon.

Mr. Jumblat in turn accused Syria of blocking arms destined for the Lebanese Left wing and for Palestinian commandos here, and hinted he might switch over to Egypt, Syria's Arab rival.

With the clashes dying down to mere skirmishes, the streets of Beirut witnessed some activity for the first time in two weeks. More people ventured out to shop and there was a considerable movement of traffic even though all businesses remained closed.

Mr. Brown, who arrived from Washington yesterday, initiated his mission to-day with a call on President Franjieh and other political and religious leaders.

Mr. Brown's Lebanese mission, observers said, could be the cover the Ford Administration has been waiting for to open contacts with Palestinian leaders here. The contacts could supplement the talks King Hussein has been holding in Washington on a Middle East settlement.

Informed sources tended to place the Brown mission within the bigger Middle East context. They said that the U.S. emissary would help in solving the Lebanese crisis and thus not undermine U.S. efforts at an Arab-Israeli settlement.

The sources said the envoy's efforts will go beyond arranging an end to the fighting and are expected to help in working out the political formula which may be adopted after a new head of state is elected.

Observers said the American efforts will move parallel with those of Syria (Mr. Brown may visit Damascus) and that a U.S. role would help to allay the fears of the Christians.

Certain Christian leaders, notably Interior Minister Camille Chamoun, feel that Lebanon has been effectively partitioned and that the future system should take this into consideration. They do not go all out for secession, but Mr. Chamoun has gone on record as proposing a system of "confederation" between Moslem and Christian areas.

Reuter reports from Washington: King Hussein of Jordan, on a state visit to Washington, said to-day that limited Syrian military intervention in Lebanon might be needed to restore law and order. But Syria would interfere militarily only as a last resort "to maintain a balance, to separate the warring factions, to give the Lebanese people time to reorganise themselves and solve their problems."

Jumblatt: mystic, king-maker

BY LOUIS FARES, DAMASCUS CORRESPONDENT

MR. KAMAL JUMBLATT, the multi-millionaire radical Lebanese leader who has been defying Damascus and the Right-wing Christian Phalangists by pushing for the resignation of President Franjieh, is an inscrutable, complex and in many ways contradictory figure.

He is a religious mystic devoted to the study of Hindu and Bhuddist philosophy, a vegetarian who thrives on macrobiotic foods and a poet.

He is also a tough, hard-headed politician and captain of the Druze warriors, the fiercest fighting faction in Lebanon. By virtue of his birth he is their feudal chief, but for more than two decades he has been the acknowledged leader of the Lebanese Left and its only representative in the political Establishment.

Mr. Jumblatt appears convinced that his historic role is to make and break Lebanese presidents. In 1952 he led the opposition forcing out of office the Lebanese founding father and president, Mr. Bishara Alkhoury. In the 1958 preview of Lebanon's present civil war, he helped unseat President Camille Chamoun and replace him with General Fouad Chehab. He backed General Chehab's successor, President Charles Helou in 1964. Long before the late President Chehab's Army supporters first invited the Palestinian guerillas into Lebanon in 1968, Mr. Jumblatt had embraced the Palestinian cause. He broke with the "Chehabists" when the Lebanese army and the Christian Right-wing in Lebanon began to contest the guerilla presence as a danger to the country in 1969, then helped Mr. Franjieh get elected because Mr. Franjieh, at the time and for reasons of his own, was also against the "Chehabists" too.

Kamal Jumblatt

Frequent breakfast or luncheon guests at Mr. Jumblatt's Beirut villa or his mountain castle at Moukhtara, deep in the country of the secretive Druze religious sect, of which he is also a secular leader, take part in endless, give-and-take discursive conversations with the Guru, as some of his followers call him. Mr. Jumblatt has been known to disappear to India at difficult times and sometimes consults Hindu or Buddhist mystics there.

His father, appointed feudal governor of the Shouf region of Mount Lebanon by the French Mandate authorities before Lebanon's independence in 1943, was assassinated when his son was still young. Though a Druze, his higher education was at a Roman Catholic school and university.

In spite of this conservative background, Mr. Jumblatt in 1949, the year of the first big Arab defeat by Israel, founded Lebanon's Progressive Socialist Party. He demanded basic reforms in Lebanon's free-wheeling, laissez-faire society, not the least so that it could better face up to and compete with Israel and the West.

His Hindu and Buddhist interests help to temper his socialism and render it most un-Marxist. This has not stopped him from espousing nearly all of Lebanon's Left-wing causes during his career as a parliamentary Deputy and Cabinet Minister. In 1972 he was awarded the Lenin Peace Prize.

As Interior Minister, Mr. Jumblatt legalised the Lebanese Communist Party for the first time. He also, for a time, outlawed dancing the twist in Beirut's night spots after he learned that his estranged wife, May Arslan, daughter of Emir Shakib Arslan, one of the early prophets of Arab nationalism, was a twist enthusiast.

When not engulfed in his own careful brand of revolutionary politics, Mr. Jumblatt writes poetry, history, treatises on plants and herbs, and translates Hindu books like The Immortal Friend of Khrishnamurti. He speaks and reads about a dozen languages and is fond of expressing, in many of them, the paradox of his own personality: "Ideas—and people—are rarely what they seem."

Maronite 'refugees' in Cyprus

By Our Own Correspondent

NICOSIA, March 31.

LEBANESE christians are streaming into Cyprus by the hundreds every day, yet they strongly deny that they are fleeing their war-torn country in panic to escape the fighting.

"There is no exodus of christians from Lebanon, and we hate being called refugees," said a 35-year-old Maronite as he sat with his wife and two young children in the lounge of a Nicosia hotel.

He said, "Most of us are merchants, and we are going on business trips abroad. . . . We are definitely going back to our country in a few days."

Some 3,000 wealthy Lebanese have come to Cyprus in the past week, in small fishing vessels, yachts and motor launches and paying fares as high as $200 per person—three times the normal.

Many are just passing through, staying for a couple of days and then flying on to other Middle East capitals or to Europe.

The Cyprus Government has agreed to a request from the UN High Commission for Refugees to provide temporary accommodation to Lebanese who might seek shelter.

The idea is to move up to 5,000 Lebanese into tented camps in southern Cyprus.

Yet the christians who have already arrived in Cyprus insist there is no such danger. One man who said he had close links with the Phalangists claimed that the morale of the christian population was "unbelievably high"

Italian GNP dropped by 3.7% last year

BY ANTHONY ROBINSON ROME, April 1.

A DESOLATE picture of the state of the Italian economy emerges from the official report for 1975, which shows a 3.7 per cent. drop in the GNP in the presence of a massive inflationary expansion of public spending unmatched by revenue.

Industrial production dropped by an unprecedented 9.7 per cent. which was only partially compensated for by a 2.4 per cent. rise in agricultural production, and a 1.3 per cent. increase in services provided by the State. The product of commerce, hotels and shops dropped by 2 per cent.

In monetary terms the GNP rose 13.2 per cent to L112,358bn. in the presence of an average inflation rate of 17.5 per cent., meaning a 3.7 per cent. reduction in real terms.

Investment fell 12 per cent. in monetary terms to L22,433bn., representing a 24 per cent. decline in real terms. The stock rundown last year was valued at around L4,000bn.

Employment fell only marginally to 19.67m. from just over 19.7m. in 1974, but hours of short-time working rose to 346m. from 156m. Labour costs in industry rose 20 per cent. in monetary terms, that is to say faster than inflation, in spite of the 9.7 per cent. fall in industrial production.

Spending by the State rose by no less than 35 per cent. last year to L38,500bn.—of which social spending on health, pensions and so on accounted for L21,600bn., some 30 per cent. higher than the L16,600bn. in 1974. Investment spending rose *only 12 per cent. in monetary* terms. At the same time, revenue rose by 22 per cent. to L24,000bn., leaving a deficit of L14,500bn. Some L5,000bn of the deficit was financed by borrowing and over L9,000bn. through the Bank of Italy printing more money.

One of the conditions for the IMF loan of $530m. to Italy is a commitment to limit the public sector deficit to 13,800bn. lire in 1976 and reduce it still further in 1977. The Government has not been able to convince the fund of its ability to do so.

Meanwhile, Planning and Budget Minister Giulio Andreotti, leaving the Cabinet meeting, said the Government is examining the possibility of petrol rationing on a two-tier basis. A monthly basic ration at a price of around 350 lire per litre with purchases above this at around 500 lire, was one indication given by Industry Minister Donat Cattin. Meanwhile, autostrada tolls are to be raised by up to 20 per cent. shortly—although Tourism Minister Adolfo Sarti announced specially low tolls for foreign tourists.

In spite of the gravity of the economic situation, whose deterioration in 1976 has been underlined by the devaluation of the lira and a savage new credit squeeze. Italian political life at this moment is centred around the proposed abortion law reform. Last-minute efforts to agree on a compromise which would avoid a frontal conflict between Christian Democrats and neo-Fascists on one hand and the lay parties on the other, appear to have failed. The controversial clause two of the Bill—which would allow abortion on economic, social and psychological grounds—is now being openly debated in Parliament. Hard liners in the Christian Democrat party appear to have prevailed against the more moderate stance of Party Secretary Zaccagnini and Prime Minister Moro and there now appears to be a very high probability that Italy will shortly face a divisive referendum campaign, the prospect of which is likely to put virtually unbearable strains on the Christian Democrat minority government now in power.

Abortion vote crisis

ROME, April 1.

THE CHRISTIAN Democratic Party last night won Chamber of Deputies approval for an abortion reform Bill amendment limiting legal abortion to therapeutic and rape cases.

But in so doing it risked the life of Premier Aldo Moro's minority government by formally breaking with Parliamentary allies.

The Chamber session was suspended immediately after the vote to permit an emergency meeting of party chiefs. The Republican and Liberal Party chairmen of the abortion debate abruptly resigned, further deepening the crisis.

Earlier an 18 member Chamber committee gave up efforts for a compromise settlement of the politically explosive abortion dispute, opening the way to a showdown on the Chamber floor.

Socialists and other advocates of abortion on demand accused Moro's Vatican-supported Christian Democrats of forcing the risky confrontation by continuing to insist that abortion should be allowed only in limited cases.

Time for nostalgia as Wilson quits the Euro-stag

BY ROBIN REEVES LUXEMBOUR

A CARRIAGE CLOCK was presented to Mr. Harold Wilson as he arrived at his hotel room here to-day for the Common Market summit — a memento from French President Giscard d'Estaing to commemorate, according to the accompanying message, the passage of time since Mr. Wilson first stepped out on to the Euro-stage.

German Chancellor Helmut Schmidt, not to be outdone, soon let it be known that an engraving *of his home city of Hamburg* was also on its way.

Luxembourg's own, normally sleepy, passage of time has been rudely jarred by the arrival of the summit leaders and their entourages. Noisy motorcades and appalling traffic jams appeared to-day as Europe's leaders were rushed from the airport to embassies and hotels, then to the Grand Duc's palace for lunch and on to the Kirchberg European Centre, just across a bridged ravine from the city's old quarter. What must have been the entire police force of Luxembourg (population 345,000) was deployed everywhere, their usual toytown image dissipated by a liberal sprinkling of sub-machine guns anl Alsation dogs.

Strictly speaking, these occasions are not supposed to be called "summits", but European councils. Common Market summits got a bad name after the December, 1973, Copenhagen debacle which was supposed to have agreed the EEC regional development fund and common energy policy, but ignominiously failed to do so. The pre-enlargement 1972 Paris summit pledge of economic and monetary union by 1980 also did not, in retrospect, improve the image.

So President Giscard, during the French presidency of the council in the second half of 1974, struck on the idea of regular meetings of EEC heads of government three times a year which would instead be called the European Council and become part of the Common Market's institutional machinery.

Now, heads of Government gather once in the capital of the country holding the six-month presidency. The third meeting is held in Brussels. British government officials are already at work planning a big jamboree during the U.K.'s turn in the chair in January-June next year. The "summit" will take place in June and coincide with the 25th anniversary celebrations of Queen *Elizabeth's reign.*

Of the precise role of the council, nobody is quite sure. Diplomats hasten to assure inquiring journalists that it is not a Community Court of political appeal, though they admit that on certain issues, such as *Britain's* demand last autumn for a separate seat at the Paris North-South conference, that is what it became.

What everybody wants to prevent is it paralysing the already painfully slow decision-making role of the Council of Ministers. In these circumstances, the officials grope towa cept of an institut there to give gene to point the Commu tain direction and general overseeing th general expecta meeting will prod tacular results on council will certai look like a r institution.

The fact that the taking place on Ap did not go unnotice radio station sea British journalist imitate Mr. Wilson changed his min resigning as Pren decided to stay accounts, they coul body sufficiently cc

More Irish unions seek £15 increases

By Giles Merritt

DUBLIN, April 1.

WITH IRELAND now squarely at the top of the EEC inflation league following the publication of its new consumer price index showing that prices jumped 7.3 per cent. in the *three months to mid-February,* 23 craft unions have decided to press for £15 weekly increases,

Trade union leaders calculate that Ireland's inflation rate this year will be in the region of 20 per cent., and the Government's prospects of persuading them to adopt a voluntary pay pause until the end of 1976 now look increasingly remote.

Government ministers, headed by Mr. Liam Cosgrave, the Prime Minister, are due to start separate talks on Wednesday with representatives of the 90-strong Irish Congress of Trade Unions.

Spanish opposition leaders face plotting charges

BY ROGER MATTHEWS MADRID, April 1.

THE FOUR political leaders arrested in Madrid earlier this week *for* calling a news conference to explain the policies of the new left-wing and centrist democratic alliance were to-day remanded in jail charged with plotting changes in the Spanish Government.

These charges carry jail sentences of up to 30 years on conviction. The judge refused bail and set no date for the trial.

Predictably the decision has bitterly angered the 13 political parties and workers' organisations represented in the new Democratic Co-ordination. Its programme, which is now being distributed to the Press, calls for a referendum to decide whether the people wish to continue with the monarchy or opt for a republic, and urges a constituent period leading to a fully democratic parliament with freedom for all political parties.

Foreign Minister Jose Maria Areilza, the most liberally-minded man in the Government, is understood to be growing increasingly uneasy about remaining in his job. His task of explaining to Europe the democratic plans of the regime is looking steadily more difficult and he is due to visit perhaps the most hostile of the nine capitals, Rome, before Easter.

Additionally the Prime Minister, Sr. Carlos Arias, is believed to have banned a television interview recorded by Sr. Areilza a week ago which has added to Cabinet tensions.

The four men who were sent for trial to-day—Sr. Camacho, leader of the illegal workers' commissions, Sr. Garcia Trevijano, a lawyer who was a founder member of the opposition group called the Democratic Junta, Sr. Aguado of the Spanish Workers' Party (PTE) and Sr. Alvarez Dorronsoro of the Spanish Communist Movement (MCE)—appear to have been selected by the Government because of their Communist affiliations. No action has been taken against the Christian Democrats, Social Democrats, or Socialists for calling the news conference and *drawing up the programme of* the Democratic Co-ordination.

The Cabinet met to-day under the Prime Minister to prepare for to-morrow's formal meeting in Seville to be chaired by King Juan Carlos who is continuing his tour of the Andalucia region. A series of major issues is now pressing hard on the Government, not least that of the economy and the growing pockets of unemployment, now topping 10 per cent. of the workforce in certain depressed regions.

According to domestic news agency reports, the Government has also tightened up on border security to try to stem what is described as a serious outflow of capital. Although no accurate figures are available, banking sources say that many wealthy Spaniards are making provision for themselves abroad should the internal situation deteriorate further.

For the third consecutive day, the Madrid Stock Exchange index has dropped by over 1 per cent., bringing the three-month fall to 16.5 per cent. Even more active Bank of Spain intervention is unlikely to do anything but briefly stem the downward slide, and the cost of such operations is becoming steadily more expensive.

Tension in French wine regions

BY RUPERT CORNWELL PARIS, April 1.

AN UNEASY tension again gripped the wine region of Southern France to-day, following the detention of a grower in connection with the fatal shooting of a police officer near Narbonne last month.

A police helicopter this morning flew 47-year-old Albert Tisseyre to Montpellier, to be interrogated on his part in the violence of March 4, when a senior riot police officer was killed during armed clashes with angry wine growers.

Immediately the news was known, street demonstrations were called for this afternoon in the production centres of Carcassonne and Narbonne.

Although the wine growers' leaders have promised to try and avoid new bloodshed, they warned that the detention of M. Tisseyre could not be left unanswered.

This potentially serious development coincides with the announcement that the Government is lifting from to-day the 12 per cent. border tax it *imposed on cheap imports of* Italian wines last September.

Although customs returns show that shipments from Italy have dropped off recently, and although the scrapping of the tax was decided as part of the agricultural package settled in Brussels three weeks ago, the growers are afraid that the flood of *imports will* re-start soon, helped by the drop in the value of the lira.

They are also bitterly disappointed that the French Cabinet has postponed ratification of the scheme for a revamped Wine Office, under which the growers would gain a *considerable say in the running* of the trade. The project, of dubious legality under the Common Agricultural Policy, has also run into opposition from wine wholesalers.

U.S. ar deal co be just first ste

By Our Foreign S

THE U.S. decisi about $30m. machine guns ra U.S. competitor Nato circles as towards the stand equipment and as U.S. interest in e "two way street *atlantic arms traffi* big decisions, ho still to come.

The order, to the U.S. Army, MAG-58 gun, m Belgian armamen turer Fabrique Herstal. It is b *despite the fact th* expensive than th M-60 and ved the M-60 in some t ing to U.S. sources has a better overa

The order can as part of the agre which the U.S. *place contracts in* return for the Bel to buy the Gener F16 fighter aircra the U.S. Army has this influenced the

The concept of street in arms tra the U.S. and *developed in th* Eurogroup in a secure more U.S. of the key tests w this year when t decide whether German made Leo or to stick to a do facturer.

At about the sa European memb alliance will b whether to acqu airborne early w control system (AW the new tank and among the most ex jects ever undert hope at the Euro the alliance is th will buy the Leopa for the European the U.S. AWACS.

Editorial comme

GERMANY'S ECONOMY

Digging around for the seeds of growth

BY NICHOLAS COLCHESTER

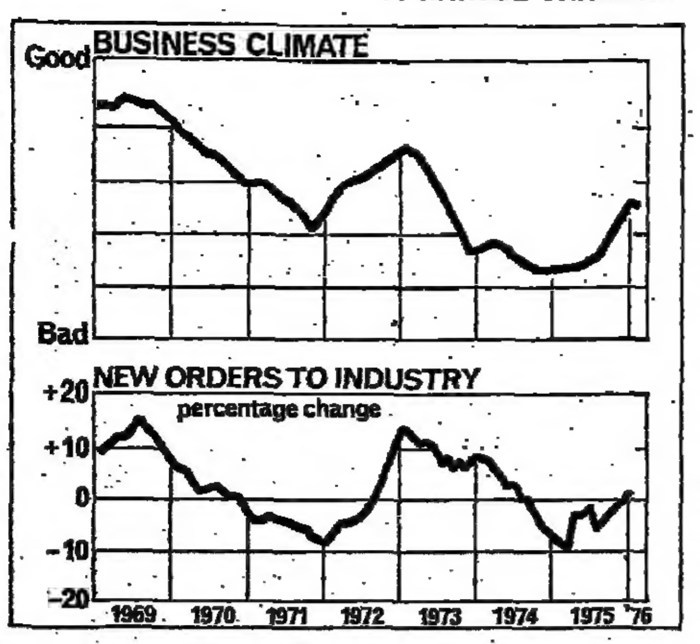
WILL the growth ?" provided the title programme of heavy o which good German tted down last night. was symptomatic of e state of things: the past has been en- the immediate future omising. So Germans, worry is essential to t, cast their eyes for- e mist that inevitably e road at some stage w and 1980.

to the March report desbank, the level of in Germany has overed two-thirds of t took place between ng of 1970 and sum- The unemployment February brought the improvement in the temporary lay-offs recession set in. Herr minger the Bundes- e-president, told the Times last week that y had so far exceeded otimistic expectations. most indicative: this ion year in Germany the Opposition has little to say about the economy. For lack of sue, German politics ecalmed, stirred only fits of oratory and in- anwhile the economic ing Chancellor Helmut vay and the economics hich has no particular being polite to him, convinced that real s year will be at least cent. In private, its eak of six per cent.

Yet the mood of the moment is to have second thoughts about the recovery that has so clearly established itself. The latest Ifo report on the atmosphere in industry suggests that the relief in January that an upswing was underway has since been tempered by doubt as to where it is really leading. Manufacturing industry's export expectations were rather more muted in February than in Japan and this led to a slight dampening of industry's plans to expand production over the following six months. Meanwhile the retail trade was also less enthusiastic, with its observed growth in sales falling away somewhat but still between 2 and 3 per cent. in volume terms.

So far the steady, if unexciting, upturn in German consumer demand has been one of the most solid elements in the German recovery.

IFO reports that the atmosphere here remained worse in February than in the rest of manufacturing industry and showed no improvement over that in January. Part of the problem—if it can be so called—is that the capital goods sector did not do nearly as badly in export markets last year as Germany's overall export figures suggest. It was exports of producer goods like chemicals and steel that led to the export boom of 1970 and to the export bust of 1975. West Germany's capital goods exports merely stagnated. This has two consequences. First, this industry's starting point in looking for a turn for the better is less depressed than that of the chemical or steel industry.



The capital goods industry continues to base its hopes on export demand, despite the 6.5 per cent. *revaluation of the Deutschemark* that has taken place since the beginning of this year, and the export order figures for January provided some encouragement here. At home, *demand for investment* goods remains depressed, but the recovery is changing the atmosphere for the better. Long-term funds are cheap and will remain so because there is so *little competition from the construction sector* and because the public sector's financial position is recovering with surprising speed. Meanwhile, corporate profits will leap upwards this *year as use of capacity improves.* It really does seem that an upturn in the propensity to invest in Germany is just a matter of time.

Profits can leap upwards *because they have been steadily* depressed for three years. The Deutsche Gesellschaft Fuer Anlageberatung recently published an analysis of what had happened to earnings-per-share *in German industry in 1975 and* a forecast of what would happen in 1976. Using the standardised German accounting method for calculating earnings per share Degab arrived at the following guesses for profit improvement in various industrial sectors (with last year's increases or declines in brackets): steel, plus 100 per cent. (minus 64 per cent.); chemicals, plus 33 per cent. *(minus 50 per cent.)*; motors, plus 33 per cent. (plus 40 per cent.); machinery, plus 20 per cent. (plus 16 per cent.).

This short list shows how largely meaningless percentage profit increases are, but does give some idea of how industry should bounce back this year. All in all, Degab reckons that after suffering an overall decline in profit last year of some 15 per cent., Germany's quoted companies will more than recover the lost ground in 1976.

The essential ingredient in this *prediction is wage restraint*, and the unions have already provided it. The metal working industry has settled for pay increases in 1976 of 5.4 per cent., while the building industry is *in the process of settling for 5.3* per cent. These are enviable settlements by anyone else's standards; they do no more than match the current rate of inflation in West Germany. The *public service union has yet to* settle and is demanding an across-the-board increase of DM135 a month which the state says would add about 7 per cent. to current wage costs. The state *is offering a 4 per cent. increase.* There could still be argument here, but it will have little relevance to the private sector's recovery.

It is, in fact, a measure of the luxury of Germany's position that the *only official* worry that one hears in Bonn about this year's wage agreements is that they are too low. Officials remember 1969 and talk of what they call "the hot autumn." 1969 was a boom year that followed Germany's first ever post-war recession. In those days two year wage agreements were normal and the boom *quickly made nonsense of* settlements worked out with the recession in mind.

The result was wild-cat strikes. Managements, up to their ears in orders, quickly conceded supplementary pay increases. The unions played little part in these and lost face. As a result they bargained much more toughly over the following three years. This led to a wage surge when industry could not afford it, and to dwindling profits.

This is the tidy—too tidy—explanation of Germany's current lack of investment. The Government is anxious that the unions play their full part in *any retroactive pay boosts that* may be negotiated this autumn. It is indicative that Herr Eugen Loderer, the canny boss of the German metal working union, has already mentioned this possibility. His remarks followed a controversial decision by the motor industry to raise its prices by 5 per cent.

"Where will the long-term growth come from?" asked the television programme, and despite interviews with nearly everybody who counts in German industry, it did not find an *answer. Indeed, as one banker* said the other day, if the answer was known it would already have happened.

Looking nearer ahead, it *seems that 1976 is not 1969.* There is unemployment, spare capacity and little chance of an export boom. Exports will help this year but a greater proportion of German growth must be internally generated. This is only a logical consequence of West Germany's mightier position in the world.

Will the growth be enough for Helmut Schmidt? At the moment the paradoxical answer appears to be that there may be too little and too much. There is too little for Herr Schmidt and the Social Democrats to carry the election on a wave of prosperity and full employment. Yet there is too much for there to be a crisis, for Herr Schmidt to be seen at the tiller in stormy seas hauling lines to other economies foundering around him. It is undeniable that Herr Schmidt's best time with the voters was the worst time for the world economy. "Dropping the pilot," was the title of the famous Punch cartoon depicting the demise of Bismarck: the main threat that seems to face the Social Democrats is that in a period of uninvigorating calm they be *asked to make way for* fresh faces on the bridge.

Sadat visits N-plant

President Sadat of Egypt yesterday visited top security installations at the world's biggest nuclear power plant in Biblis, West Germany, *Reuter reports.*

Bonn Government sources said that President Sadat had expressed a wish to see this 1,200 megawatt plant in the state of Hesse during his state visit, which started on Monday.

There have been persistent West German Press reports that Bonn is going to conclude a co-operation agreement with Egypt on the use of nuclear power.

Cyprus assembly

The Turkish Informtaion Service announced yesterday that there will be 40 members in the legislative *assembly of the* self-proclaimed Turkish Cypriot federal state, Reuter reports from Nicosia. The federal state, recognised only by Turkey, is the northern part of the island, *occupied by Turkish forces since* they invaded in July 1974.

Danish tax probe

Danish tax authorities announced yesterday that they have asked six leading banks for lists of all accounts over Kr.10,000 (£850) in an attempt to find undeclared funds, Reuter reports from Copenhagen. The accounts will be compared with amounts stated in tax returns.

Moscow trial

Dissident physicist Andrei Tverdokhlebov is to go on trial next Tuesday on charges of disseminating anti-Soviet material, dissident sources said *in Moscow* yesterday, UPI reports. Mr. Tverdokhlebov (36), a founding member of the Moscow chapter of Amnesty International, the London-based human rights *organisation*, has been in custody since April 18, 1975.

aritime Fruit open ip negotiations

ARY BARNES COPENHAGEN, April 1.

E negotiations" were in here yesterday to e dispute between Shipyard and the shipping group Fruit Carriers, in- urces said.

nish Ship Mortgage In- st month arrested two nging to Maritime and he Danish yard, follow- shipping company's ment payments due on last November.

eeting here yesterday on the Danish side atives of the shipyard, gage institute and the Credit Council, while the important partici- Maritime Fruit's behalf resentatives of Saléns, the Swedish shipping group which has chartered the two ships being held at the request of the Danes as well as other Maritime ships. The two ships were built in 1972 and 1973 as were nearly all Maritime's 40 refrigeration vessels.

John Wyles, in London, adds: Another session in the long-running talks between Maritime and its bankers ended yesterday with indications that some form *of rescue package may be* announced next week.

Details are unlikely to emerge before then, but it was suggested yesterday that the agreement will require Maritime to sell some of its fleet of refrigerated vessels when the market for second-hand ships shows signs of recovery.

ompanies' legislation emma for Yugoslavia

LEKSANDER LEBL BELGRADE, April 1.

UGOSLAV Government e tough decision of *to force a confrontation* goslav companies over gislation designed to their activities or to yield to their mount- ition.

gislation has been under for almost a year. The re approved by the arliament at the end ar but their implimenta- the request of the Government, was post- April 1 under the Act ms unable to pay their ptember 30, must enter arrangement with their Furthermore, any ch have still not over- r financial difficulties r 1 will have to file ruptcy ion the Act says that from April 1 payment for all purchases of goods and services must be guaranteed. This, it is hoped, will break the vicious circle of mutual credit sales and purchases between firms of doubtful creditworthiness. But the Government is aware that *strict application of the new law* will drive many firms into bankruptcy. Preliminary estimates show that the total number of likely cases will be less than 1 per cent. but among them are some very big firms, and a few vital to the economy as a whole adding to the Government's dilemma.

However, in the present economic climate the elimination of sick companies and the restoration of financial discipline to the overstretched business community is urgent, and the national interest seems to dictate *tough action.*

ird World debts

GENEVA, April 1.

LALISED countries to grant developing a moratorium on debts 142bn., a Swiss indus- says. "This would be an having a war." Etienne Junod of the Swiss Industry Federa- quoted as telling a hamber of Commerce

neva newspaper Tri- Geneve also reported told the audience to protectionist measures tional trade. "A race ations is possible."

He predicted that strong currencies will continue to rise and weak ones will continue to decline. "One has to accept a high-priced Swiss franc," Junod added, saying that the dollar would perhaps go down to 2.40 francs from the present 2.53.

"Virtue knows no rewards," Junod explained, *referring to* Switzerland's low inflation rate. "But between two evils, inflation and a high-priced Swiss franc, I will chose the second." AP-DJ.

Soviet spy aircraft outfly Nato

SOVIET PILOTS in ulta-fast war planes have begun regular spy flights over parts of Western Europe at altitudes unreachable by Nato interceptor crews, diplomatic sources at Nato headquarters said to-day.

The sources reported that MIG 25 "Foxbat" planes streak at more than three times the speed of sound over West Germany, Denmark and Norway.

Nato pilots, in much slower Phantoms and Starfighters, watch helplessly from thousands of feet below as the Foxbats flash at 90,000 feet or even higher, the sources said.

Nato military authorities would neither confirm nor deny the reports but senior officers at alliance air bases privately agreed with them.

They said the Russians had started overflying Nato countries with reconnaissance versions of the Foxbat in January. Reuter

U.S. envoy promises early talks on IRA gun-running

BY OUR BELFAST CORRESPONDENT

MRS. ANNE ARMSTRONG, the U.S. ambassador to Britain, disclosed during a two-day visit to Ulster that British and U.S. Customs officials will meet shortly to discuss transatlantic arms trafficking.

She said: "We have a Customs team coming to London to see what we can do to tighten up on oversights and loopholes regarding the entry of illegal arms to Ireland."

Mrs. Armstrong, who drove around in a bullet-proof Cadillac, would not elaborate on the co-operation between the British and American Governments, in the effort to reduce the supply of American rifles and ammunition to the IRA in Ulster.

But according to Mr. Peter Spicer, the U.S. consul in Belfast, Customs officials will meet next week to continue "a series of conversations" about arms movements. "We are looking at new legislation and at the application of existing legislation in the States," he said. They will also discuss traffic in illegally-brewed poteen.

Mrs. Armstrong, whose Ulster visit comes only a matter of weeks after her appointment, said she fully supported President Ford in his recent attempts to stop American citizens donating money to terrorist groups in Ireland.

The security authorities here claim that about 85 per cent. of arms recovered from the IRA are manufactured in the U.S. though not all reach Ulster through U.S. sources of supply.

Meanwhile, Northern Ireland Secretary Mr. Merlyn Rees bitterly attacked the Republican leadership following the murders of five members of the security forces within 36 hours.

Stormont Castle last night made it clear that Mr. Rees' outspoken personal attack on Mrs. Maire Drumm, a vice-president of Provisional Sinn Fein, was aimed at establishing the Provisional's responsibility for the latest waves of violence to hit South Armagh.

The latest killings followed closely on Tuesday's booby trap explosion in a Co. Armagh Orange Hall in which one soldier died and two were injured.

Mr. Rees said that Mrs. Drumm recently boasted of sending British soldiers home in their coffins and that she would therefore "be feeling happy to-day" after the killing of three soldiers of the Royal Scots in a Provo landmine attack in South Armagh.

Terror statistics, Page 27

Second U.K. titanium site planned

By Roy Hodson

PRIVATE SECTOR capital investments backed by Government grants are expected to place Britain among the world leaders in the new technology of titanium casting in the next few years. Two plants are being planned to serve the aerospace, marine, medical and petro-chemical industries and to generate an extensive export business.

At present there is only a handful of titanium casting plants in the world, including three in the U.S. and probably three in western Europe. Russia is thought to have two plants.

Sir David Nicholson, former chairman of British Airways, has been appointed chairman of the newly-formed British subsidiary of TiTech International of California, a pioneer in the technology of titanium casting. The British company, TiTech International, has been marketing U.S. made castings in Britain.

Director leaves textile consorti[um]

BY RHYS DAVID, TEXTILES CORRESPONDENT

MR. CLIFFORD JUPP, director of the British Textile Confederation since its formation four years ago as the overall body covering U.K. textile employers and unions, has resigned following policy disagreements with council members.

The resignation was revealed at the BTC annual meeting in London yesterday. It is the second major departure in the textile industry this week after the announcement on Monday that Mr. Michael Kirsop would be standing down as chairman and chief executive of Tootal.

Mr. Jupp's departure, which has disappointed many of the organisation's members, follows several month's efforts to iron out differences between him and some of the honorary officers of the BTC over the way in which the organisation should be run.

Limited staff

An important contributory factor behind the disagreements—which both sides are insisting do not represent a row—has been the straitened financial circumstances of the BTC which, since its foundation, has been run on a shoestring budget. Last year it lost £4,028 bringing its total deficit in the past few years to £6,078.

One area of conflict is thought to have been whether in these circumstances the body could continue to devote as much time to high-level lobbying of the British textile cause in Whitehall and Brussels which has been its speciality.

These efforts have been successful in ensuring that the U.K. industry's position has been well known during the important EEC talks on limiting imports from low-cost countries under the Multi-Fibre Arrangement. But some sectors of the industry are thought to believe that not enough effort has been devoted to other forms of representation.

With an income of only £48,252 last year, compared with £41,299 in the previous year, the organisation has been able to afford a very limited staff and last year reduced its officers from three to two.

Last year the BTC had to seek donations from its affiliated company members to reduce the gap between income and expenditure, but the president, Mr. Alan Clough, said yesterday that it had been decided not to seek further contributions from companies. Instead, the organisation would try to live within its resources. Some members are understood to be reluctant to increase their contributions until the future direction of the BTC became clear.

Mr. Clough, announcing Mr. Jupp's resignation "with regret," praised his work in helping to found the BTC and make it a highly effective channel of communication between the textile industry and the Government, the EEC, and other official bodies.

Regret

A thorough review of the future workings of the BTC is probable before a new appointment is made. The review, as well as considering where the weight of the BTC's efforts should be placed in future, is likely to go over the familiar ground of examining the relationship between the BTC and the various bodies representing different sectors of the U.K. textile industry which form its membership.

A further major effort is likely to be made to bring within the BTC the two most important sectors which have so far remained outside—knitting represented by the Knitting Industries Federation, and carpets, represented by the British Carpet Manufacturers' Association, itself the product of a recent merger between two carpet trade bodies.

Mr. Clough, in his 1975 report, criticised the Government for failing to adopt the BTC's case for reducing imports by 20 per cent., but pointed to a significant change during the official attitude [...] industry's problem[s] [...]ernment, after initi[...] the idea, was eve[ntually con]verted to the view [...] range of products [...]cluded in the lis[t ...] restraint in the tal[ks ...] EEC held under th[e ...]

After the majo[r ...] demand in 1975 som[e ...] now taking place, p[...] the U.S. He fore[...] upturn could rea[...] market before the [...] year and said co[...] already benefiting [...] buoyant export de[...]

In the changes [...] Kirsop, who is 45, [...] personal reasons, [...] with the company. [...] Sir Neville Butterw[...] man only 15 mon[ths ...] a period as joi[nt ...] director.

He will be succ[eeded ...] former Tootal vice-[...] George Kenyon, w[...] in a non-executive [...] Kenyon, 63, is [...] William Kenyon [...] privately owned, [...] industrial textiles [...]ing concern.

Mr. Robert A[...] member of the [...] since 1965 is to [...] director.

Machine tool industry worried by Leyland investment delay

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE U.K. machine tool inndustry is becoming increasingly worried that the British Leyland car division's £100m. investment programme could be delayed so long that the major part of it will appear just as demand is already rising strongly.

Mr. George Trowbridge, president of the Machine Tool Trades Association, admitted this yesterday and said that because of the industrial disputes at Leyland "the signs could be ominous" for his industry.

Mr. Trowbridge was speaking at a Press conference to preview "Mach 76," the machine tool exhibition to be held at the National Exhibition Centre, Birmingham, in September.

He also said the U.K. industry might be in danger of suffering a balance of payments deficit when demand next reached a peak. But this was simply because the industry had to cope with such violent swings in demand.

Mr. Howard Barrett, director-general of the association, suggested that machine tool manufacturers were not doing enough to make their customers aware of the Government's accelerated investment scheme. This offered cheap money for companies willing to bring forward investment projects or to get previously-shelved schemes off the ground.

The machine tool industry could benefit from this scheme by evening out the flow of orders—but only if more effort was made to inform potential customers about what was available, he said. Time was running out as the Government scheme ends in September.

Energy study on refuse

By Ian Hargreaves, Industrial Staff

THE POSSIBILITY of using domestic refuse as a source of energy will be explored by a working group to be set up by the Waste Management Advisory Council.

The group will meet under the chairmanship of Mr. J. K. Smout, managing director of Imperial Metal Industries, in Birmingham, where a pioneering rubbish-to-electricity scheme was set up last year.

IMI plans to feed 15,000 tons of pulverised waste mixed with coal, into a converted chain-grate boiler to provide energy for the 230-acre site's 50 megawatt generator.

BSC stockholding move

BY ROY HODSON

THE BRITISH Steel Corporation's strategy of expanding its steel stockholding interests at home and abroad took an important step forward yesterday when the corporation disclosed it had bought 75 per cent. of the equity of Walter Blume, the West German steel stockholding company. The price is understood to be over £2m.

Negotiations have been going on for some months. The transaction has been cleared by the German Federal Cartel Office and has been approved by the European Commission.

Blume is one of the largest West German stockholders. A family-owned company, its principal warehouses and head office are in Stuttgart with 14 branches covering most of the country.

The main holdings are heavy and medium plate and hot and cold rolled coil and sheet.

GKN wins appe[al] against Frau Sa[chs]

BY A. H. HERMANN

GUEST KEEN and Nettlefolds yesterday cleared the first of the three legal hurdles towards acquiring the West German engineering group Fichtel and Sachs when a Bavarian Appeal Court dismissed objections to the £66m. deal from Frau Eleonore Sachs.

The takeover, which will make GKN own one of Europe's biggest motor accessory manufacturer if it goes ahead, now has to be passed by the Federal Cartel Office in Berlin and the Competition Department of the EEC Commission in Brussels.

Frau Sachs is the ex-wife of Herr Ernst-Wilhelm Sachs, one of the two brothers who control the 74.9 per cent. interest in the company which GKN agreed to buy for DM330m.

She seemed dissatisfied with her share in the deal and claimed that it was contrary to the intentions of the late Herr Willy Sachs as expressed in his will. The decision of the court of appeal in a matter of this kind is normally final.

The shares are [...] Swiss banks and t[...] brothers claim resi[dence in Swit]zerland. The accep[tance ...] by German authorit[ies ...] resulting tax adva[ntage ...] Sachs brothers is be[...] in Germany, where [...]ing was against all [...] nowned German [...] come under foreig[n ...]

The next crucial [...] be taken by the F[ederal Cartel] Office in about a fo[rtnight ...] lawyers and the law[yers ...]ing the Sachs broth[ers ...] Erdl, are confide[nt ...] Cartel Office wi[ll ...] objections.

However, on the [...] of that office, one [...] over-optimistic and [...] fair to say that the [...] fall either way. [...] Cartel Office ob[...] merger, there will [...] possibility for the [...] for a reprieve of [...] Bonn.

Castle says joint plan[ning] vital for health servic[e]

BY DONALD MACLEAN

THE ESTABLISHMENT of effective joint planning between local authorities and area health authorities is crucial to the development of community services to those such as the elderly, physically-handicapped, mentally-ill and mentally-handicapped, Mrs. Barbara Castle, Secretary for Social Services, said in the Commons yesterday.

Mrs. Castle told a questioner it was important that a start be made on jointly financed projects in the coming financial year.

"To this end, I shall shortly be making special allocations of joint financing money to health authorities. The amount available nationally in 1976-77 will be £3m."

It was forecast in [...]tive document on [...] health and persona[l ser]vices, published las[t ...] the amount allocate[d ...]gramme would rea[ch ...] 1979-80.

● The Government [...] in a leading article [...] British Medical [...] following a "policy [...] in its plans to cut c[...]ing on the natio[nal health] service.

It argues that the [...] by implication, ac[...] patients in Britai[n ...] poorer medical se[rvices than] those available in ot[her] countries."

Legal and General li[fts] terminal bonuses onl[y]

BY ERIC SHORT

LEGAL AND GENERAL Assurance Society, Britain's second largest life company, increases its rate of terminal bonus from April from 20 to 25 per cent. of attaching bonuses. The company announced yesterday that it was not changing its reversionary bonus rate, which remains at £3 60 per cent. compound.

The terminal bonus represents a "capital" payment when a life assurance policy matures or becomes a death claim, reflecting movement in capital values of life company assets in the lifetime of the policy. L and G cut its terminal bonus rate from 30 to 25 per cent. in August 1974, and made a further reduction to 20 per cent. in January last year.

These moves reflected the dramatic fall in asset values over 1973 and 1974. But, traditionally, life actuaries tend to react to market movements some time after they have taken place, hence the delay between the fall and the bonus cuts f[...]

The present incre[ase in] terminal bonus rate [...] a partial restoration [...] reductions reflecting [...] recovery over 1975. T[...] tends to adopt a smo[othing tech]nique in value asset[...] considerations, and d[...]sider that market v[alues have] been restored suff[iciently to] justify a complete m[...] the 30 per cent. leve[l].

The cash amounts [...] paying terminal bo[nuses ...] small in relation to [...] amount paid by the [...] and levels of termi[nal ...] relate more to provid[ing policy] holders with a fair ret[urn in the] light of investment co[...]

Office building freeze urged

A CALL for a ban on new offices and hotels in London's West End was made yesterday by the opposition Labour Group on the Westminster City Council.

A policy document issued by the group also seeks an increase in the maximum fine for illegal parking, from £6 to £25. The group also says that no further private car parks should be established.

It accuses the ruling Conservative Group of planning "in the interests of business and commerce and not in the interests of the majority of the 250,000 residents who suffer from bad housing, lack of community facilities and lack of open space."

Lorries re[...] protests at [...] pollution t[ax]

By Our Industrial Sta[ff]

A "SOCIAL COST [...] heavy lorries would in[crease the] price of consumer [...] threaten regional dev[elopment] and fail to improve the [environ]ment, the Governmen[t ...] to-day.

In a report com[...] jointly by the Freight [Transport] Association and the Roa[d Haulage] Association, Dr. Cliffo[rd ...] of Leicester University [...] such a tax, which has [...] subject of recent rumo[ur ...] be unfair and ineffectiv[e].

It would be unfair, [...] to single out freight tr[ansport ...] not tax other forms of [...] and there would be n[o ...] to the environment.

The main results of [...] would be higher prices [...]sumer goods and an unc[...] impact on transport cost[s ...]

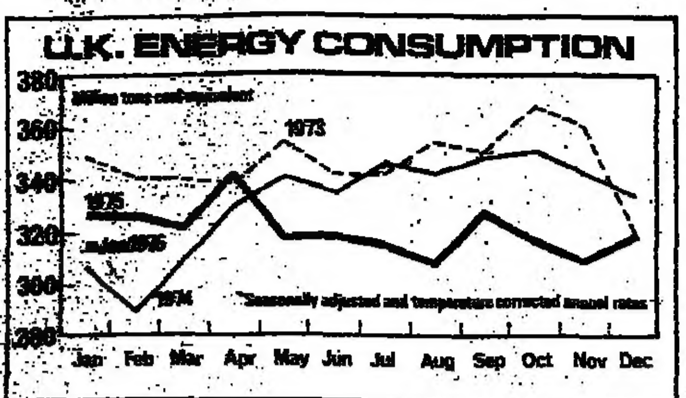
HOME NEWS

ergy consumption down
% in winter months

IODSON

ONSUMPTION fell ent in the winter ovember, December for the first time urs, according to the of Energy Statistical

reasons for the demand compared ago are believed to dustrial recession, r prices, the Save and the generally r. At times during the electricity in-xperienced an 8 per tion on expected ome power stations losed.



Sea oilfields began significant contribu-energy equation in ter months, and the eipts of crude oil over 1m. tonnes of ore oil. et imports of crude oil fell to 21m. tonnes in the three months, compared with nearly 26m. the previous quarter.

Overall petrol consumption was lower by about 3¼m. tonnes than in the same period the previous year. Consumption of natural gas was 12¼ per cent. up, indicating greater use of gas for heating.

Coal production was lower by 1½ per cent. but consumption was 5 per cent. higher than in the previous year due to the power stations switching from oil to coal where possible.

laxation of HP curbs urged

AEL BLANDEN

RCHASE controls laxed to increase the period for cars from nths, Mr. Humphrey rman of the Finance ociation, suggests in statement.

a plea in the asso-nual report for help ice industry, which in ar has seen the start ary from the excep-lems experienced in the independent is not inevitable," he aat the instalment stry will be able to dvantage of any up-economy."

yment period on cars xed at 24 months for years, while the cost s risen dramatically have been virtually ie latter part of the

ans that it is becom-ingly difficult and ex-the consumer to buy even the most modest with the consequent r higher wages, which tion of this predica-inevitably entail."

Mr. Oliver also expresses concern over the implications of the consumer credit legislation now beginning to be put into effect. The regulations "will create practical difficulties for lenders, increase the cost of credit for borrowers and diminish the range of facilities which are available to them."

In some of the proposals for regulations there is "an undue measure of complexity and refinement," especially in the "truth-in-lending" rules. He adds: "The consumer will not necessarily benefit from all of these regulations."

The report comments on the "daunting complexity" involved. "There is inescapably a cost in ensuring that advertisments, documents and terms are revised to meet the detailed requirements of the Act." It expresses concern over the tables to be used for conversion of charges into true interest rates and the problems of applying them where payments may be of an irregular or unequal nature.

Commenting on the price code, the FHA criticises its application to finance houses because, while hire-purchase and credit and conditional sale agreements are regulated, loans, which are regarded as attracting interest income, are exempt.

Moreover, the code is designed for transactions "where the profit arises at an identifiable point in time," and is not appropriate for instalment credit. These points are to be pressed on the authorities again.

tish companies win
ıdi contracts

CHAEL CASSELL

CTS worth £175m. have by British companies in the development of a new town in Saudi

on the town, near will begin in August and ed to take between six years to complete. It uilt on a "garden city" and will accommodate ople on 3m. sq. metres between Jeddah's new d the Red Sea.

sign and architectural the new development awarded to the Covell Partnership, the rchitects and planning s, who originally put e forward.

management will be n by Bryants Inter-Bridgend, South Wales, also enter into a joint ith a Saudi contracting to carry out building

rom the U.K.'s contrac-design contribution, a ge of infrastructure and construction will also be provided companies. The resi-dential units will be almost entirely constructed using the building system developed by MOD-L of Knutsford, Cheshire.

Sewerage systems, water supplies, electrical equipment, sanitary ware and windows will be among the British contributions and it is estimated that some 90 per cent. of all the materials, equipment, machinery, plant, fixtures and fittings will come from the U.K.

The new town will include 7,500 homes in apartments and houses, a regional shopping centre, schools and mosques.

Mr. Jerry Matthews, a senior partner in Covell Matthews, said last night that the project would commence in August, only a year after the scheme was originally put forward. Although details were still being worked out, British involvement was likely to be worth at least £175m.

The U.K.-Saudi Arabian joint commission for economic co-operation has been meeting in London this week, aimed at identifying areas where British Government agencies and U.K. companies can become involved in projects in the Kingdom.

ınning go-ahead given
nine Selby coal seam

CIAL TIMES REPORTER

NATIONAL COAL biggest scheme, the development of a 10m.-plus mining opera-xploit the rich Selby n in Yorkshire, was nning permission by nment yesterday.

ek Ezra, chairman of said: "To-day is the of a new era for coal industry as we tart on the first com-new coalfield to be since the early days of ry." The Selby reserves lay a vital part in industrial regeneration.

g planning permission, hony Crosland, the ent Secretary, said it fied in the national in-Je has imposed several s to mitigate the effect nvironment.

osland has ruled that pillars of coal are to be left unworked under the central areas of Selby to support the river frontage and buildings, including Selby Abbey. Mining is to be prohibited under some other districts without the county council's prior agreement. A mile-wide band of coal is to be left under the existing main East Coast railway line until an alternative route can be built, or until 1982, whichever is the earlier.

The Selby mining operation will provide jobs for some 4,000 men and the coalfield will have a life of about 40 years. There will be no slag heaps. Spoil will be used for landscaping.

Planning permission given includes approval for a drift mine and a pair of vertical shafts. The NCB intends to seek permission for four more pairs of shafts in the 110-square-mile area of the coalfield.

ıweppes plans to
aunch 7UP

NNETH GOODING

ORLD'S third-biggest ft drink, 7UP, is to be d in the U.K., where ous impact has been

ne, however, the brand hands of the biggest ks company, Schweppes, ans to give it "one of est launches the soft rket has seen."

pes completed negotia-th Seven-Up Interna-St Louis, Missouri, at of last year for the ex-rights to make and 7UP in the U.K.

The package has been completely redesigned and the launch, at first in the London television region, will be supported by an advertising campaign worth the national equivalent of £500,000. "We are putting an unprecedented weight of promotional and advertising backing behind 7UP," said Mr. Keith Holloway, Schweppes' marketing director.

The brand, with its lemon-lime flavour, is aimed particularly at 16 to 25-year-olds and Schweppes says its confidence is reinforced by trade reaction.

Laker bid for U.S. air charter

By Michael Donne

MR. FREDDIE LAKER, chairman of Laker Airways, has applied to the Civil Aviation Authority for rights to run a new type of service from the U.K. to U.S. destinations—a "One - Stop Inclusive Tour Charter" or OTC, similar to those now approved by the U.K. for U.S. citizens coming to this country.

This was disclosed yesterday by Laker Airways, after the announcement that Mr. Laker has issued a writ against the Government, claiming that the recent decision to cancel his Skytrain licence is ultra vires and against Section 3 of the Civil Aviation Act, 1974.

An expedited hearing of Mr Laker's writ takes place in the High Court this morning, with Mr. Laker himself giving evidence.

In spite of this writ, however, he believes that there is still scope for a low-fare transatlantic service, and that if the U.K. is going to license low-fare charters of the OTC type from the U.S. to the U.K. (as agreed at the recent Anglo-American charter talks in Washington), they ought also to be available from the U.K. to the U.S.

Mr. Laker's application for OTCs from the U.K. covers flights to New York, Los Angeles, San Francisco, Seattle and Chicago. He is planning fares of £125 upwards return, including seven days' accommodation. The flights would be bookable 30 days in advance.

THE BLACK BERET with the two badges—Field Marshal Montgomery's famous wartime "trademark"—lay on his coffin *as Britain's great commander went to his rest yesterday.* From every part of the country and from all over the world people came to Windsor to pay their last respects to "Monty," of Alamein, who died last week aged 88.

The King's troop of the Royal Horse Artillery fired a 19-gun salute as the coffin, flanked by five Field Marshals, was taken to St. George's Chapel. Three mourners followed—Viscount Montgomery's son, grandson and brother.

The slow-marching escort of 1,000 soldiers was drawn from the Royal Fusiliers, the Royal Tank Regiment, and the 3rd Battalion Parachute Regiment, all linked with his long career.

Inside the Chapel, the Queen was represented by Prince Philip. *Lady Spencer-Churchill, 91, was there.* Chief Marshal Rudenko represented the Soviet Union. The Dean of Windsor paid tribute to the dead soldier's "loyalty to his sovereign, high sense of duty, and the courage and inspiration of his leadership in war and peace." The congregation sang the hymn: "The Strife is O'er, the Battle Done."

As the Last Post and Reveille sounded, veterans of the *Eighth Army* watched as the coffin began the last journey to Binsted, Hampshire, where Monty was buried beneath a 250-year-old yew tree in the village churchyard.

PARLIAMENT

Healey claims success in defence of the pound

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE LOSS to Britain's reserves during the erratic exchange fluctuations of recent months had been much less than the currency losses experienced by other countries which had been under pressure, Mr. Denis Healey, Chancellor of the Exchequer, claimed in the Commons yesterday.

Mr. Healey also rejected any suggestion that there had been *criticism from abroad of the* Government's intervention policy or of the way Britain's monetary authorities had handled pressure on the pound.

Our policy on exchange rates was governed by the guidelines laid down by the International Monetary Fund, our credit pledges, the Rambouillet accord and the monetary policy agreed in Jamaica to counter erratic fluctuations in the exchange markets, said Mr. Healey.

And it was because we had acted in accordance with these rules, he suggested, that the Government had been able to *keep down the level of loss* to the reserves.

In his last apparance in the Commons before Budget Day next Tuesday, the Chancellor claimed a "very dramatic fall" in the rate of inflation. This was based on the drop to 13.3 per cent. in the annual rate of increase shown by the figures for the six months period to February.

It represented substantial progress towards the target of a single figure increase in the inflation rate by the end of the year, said Mr. Healey.

"But I shall not be satisfied until inflation is reduced to a level no higher than that of our competitors," he added during Question-time exchanges which opened with a barrage of inquiries about the situation for the pound.

From the Tory backbenches, Mr. Tim Renton (Mid Sussex), asked if the Chancellor was satisfied with communications between the Treasury and the Bank of England in their response to exchange fluctuations.

Mr. Renton wanted assurance that the management of our floating currency was not involving unnecessary strain either on foreign exchange rates or the co-operation arrangements with other central banks.

Mr. Healey, giving his assurances, *said: "I can confirm that* I am well satisfied with communications between the Treasury and the Bank on these matters."

From the Labour backbenches, Mr. Dounglas Jay (Battersea N.), urged the Chancellor to put it to foreign finance ministers that it would not be possible in the foreseeable future to maintain a system of fixed exchange rates between a number of their economies.

The Chancellor agreed. He had felt in recent months that there was some agreement with the line he had been taking, he said.

Mr. Enoch Powell (UUU, Down S) wanted to know why Mr. Healey thought exchange rate fluctuations were less severe with the intervention of the Bank of England than they would have been without it.

Mr. Healey replied: "The evidence is our experience over the past year."

On the inflation rate, the *Chancellor* was warned by *Left-wing* Labour MP Mr. Dennis Skinner (Bolsover), that the recent handling of sterling difficulties would increase the Government's problems in talks with the trade unions over the next round of the incomes policy.

The depreciation of sterling against other major currencies had reduced real disposable incomes by about £800m., Mr. Skinner contended. So the possibility of £800m. tax cuts in next week's Budget would already have been cancelled out and could not become part of the incomes policy.

Other Left-wingers joined in, and Mr. Denis Canavan (Lab. Sterlingshire, W) called for an assurance that when the City *and the CBI started twisting* the Chancellor's arm for even more wage restraint and less price restraint Mr. Healey would tell them "in his own inimitable language" where to get off.

Mr. Healey, smiling at this reference to his recent brush *with Left wingers over the* Government's expenditure policy, said he was glad Mr. Canavan was none the worse for the "amenities" they had exchanged.

"If I find it necessary to tell anybody to get off anything, I will certainly make clear that that is my view," he added.

Mr. William Hamilton, (Lab., Fife Cent.) wanted to know if the Chancellor had the assent of the unions to the next phase of the incomes policy.

Would Mr. Healey have that assent by next Tuesday. The Chancellor had said, Mr. Hamilton pointed out, that his *Budget judgement would* depend on union assent.

Mr. Healey replied: "It is not appropriate at this stage for the TUC to reach a final conclusion on the policy for the next wages round which begins on August 1. But I have been in continuous touch with the leaders of the TUC."

Tories 'to keep NEB' report is denied

By Peter Hennessy, Lobby Correspondent

MR. MICHAEL HESELTINE, Opposition spokesman on industry, yesterday described as nonsense a report that the Conservative Industrial Policy Group had recommended that a future Conservative Government should keep the National Enterprise Board and draw up a national plan.

The report which appeared in to-day's issue of the Free Nation, a fortnightly newspaper of the National Association for Freedom, also claimed that Mr. Heseltine's group had decided in February that the British Steel Corporation should remain nationalised, that further subsidies should be forthcoming for "lame ducks," and a scheme introduced to rescue secondary banks.

"The report is nonsense," Mr. Heseltine said. "However, the virtues of a free nation include that of publishing rubbish. They also include my freedom to dismiss an inaccurate and mischievous report with the disdain it deserves."

The Conservative Industrial Policy Group is *still formulating* its proposals. No draft industrial policy has yet been presented to the shadow Cabinet.

It is highly unlikely that a future Conservative administration would retain the NEB. An incoming Government, however, would be unable to abolish it overnight as the Board holds stocks and shares on behalf of the Government which would need to be sold or transferred to a Government department.

Commons debates

MONDAY: Debate on fishing industry; resumed debate on EEC documents on lead pollution.
TUESDAY: Budget statement: opposed private business.
WEDNESDAY, THURSDAY: Budget debate.
FRIDAY: Private Members' motions.
MONDAY (APRIL 12): Conclusion of Budget debate: debate on EEC documents on proteins.
TUESDAY (APRIL 13): Debate on report from Expenditure Committee on the Children and Young Persons Act 1969.
WEDNESDAY (APRIL 14): Adjournment debates.

Recess dates

THE COMMONS will rise for Easter from Wednesday, April 14, to Monday, April 26 Mr. Edward Short, Leader of the House, announced yesterday The Lords will rise on the same day, resuming on Tuesday, April 27.

Chile's debt

CHILE'S total outstanding commercial debt to the U.K., including defence sales, is estimated at £100m.-£105m., Mr. Joel Barnett, Chief Secretary to the Treasury, stated in the Commons yesterday.

The amount outstanding on debts which fell due for payment in 1975 was approximately £11m.

Price controls block recovery—Walker

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. PETER WALKER, Conservative MP for Worcester and former Secretary for Trade and Industry, said yesterday that price control was sabotaging industrial recovery by deterring investment, discouraging exports and creat*ing unemployment.*

He told a conference on investment strategy in Jersey that industries with large investment programmes should be exempted from price controls as should highly competitive industrial sectors where control was unnecessary. The Government should cease controlling the price of individual items and introduce a system of monitoring profit margins which would take inflation into account.

Mr. Walker said he was a member of Mr. Heath's Cabinet which took the original decision to introduce price control, but it was never envisaged that it would last for more than one year. The system had become too bureaucratic. Major industries had been obliged to make as many as a thousand applications for price *increases,* he added.

"The massive increases in working capital requirements over these last two inflationary years has denied the availability of funds for fixed capital investment. Added to this, the cost of installing new industrial plant has probably gone up by half as much again in the same two years.

"It is desperate, therefore, that industry should obtain the profits that not only enable them to meet their additional working capital requirements but enable them to invest in new plant." Mr. Walker said.

Capital investment aid

FINANCIAL TIMES REPORTER

AID TOTALLING £27m. has been offered to 19 applicants under the Department of Industry's current accelerated investment scheme to assist capital investment projects estimated to cost £177m.

Giving these figures to the Commons yesterday, Mr. Gregor Mackenzie, Minister of State for Industry, said three companies were prepared to have their projects disclosed. They were BP Chemicals International (Interest Relief Grant of £10.14m.), Lucas Industries (IRG of £3.7m.) and Ransome Hoffman Pollard (loan of £4.9m.).

Mr. Mackenzie stated that 223 applications had been received. Of these, 43 had been withdrawn or rejected.

School plans assurance

THE GOVERNMENT would not insist on blue-prints for the re-organisation of secondary education being submitted immediately the Education Bill became law, Miss Margaret Jackson, Parliamentary Secretary, Education, said yesterday.

Miss Jackson gave an assurance in the Commons Standing Committee on the Bill, which compels local education authorities to go comprehensive, that the authorities would not be expected to submit proposals in less than three months. "In areas where there is a need for greater planning and consultation, we will be quite prepared to give six months."

But she rejected an Opposition call for a 12 or 18 months period for preparing and submitting reorganisation proposals.

Terry Kirk

Mr. Bob Mellish, Government Chief Whip, yesterday appealed to the new Prime Minister, who will be chosen on Monday: "Do me a favour.. Give me a job which has a little more tranquillity, and also a job which I want to do." Speaking to the British Leather Federation in London, Mr. Mellish said that he was "sick to death" of his post. He had held it for seven years, but "it feels like seventy." Asked whether he planned to resign, Mr. Mellish replied: "Ah, that's a different matter."

Seychelles Bill approved

GOVERNMENT AID to the Seychelles would continue after independence on June 29 this year, Lord Goronwy-Roberts, Minister of State, Foreign Office, told the Lords yesterday.

Peers gave an unopposed second reading to the Seychelles Bill which enables the islands to attain fully responsible status within the Commonwealth.

Lord Goronwy-Roberts said Britain would provide capital aid in the first two years of independence amounting to £10m The Government would also provide budgetary support amounting to £1.7m. over the first four years of independence and also technical assistance.

Government cuts approved

Labour's defence rebels swallow their pride

BY JOHN HUNT

BY 48 votes, the Government last night won a majority for the defence reductions put forward *in the 1976 estimates* despite bitter attacks from Left wing rebels who argued that the £3.2bn. cuts proposed for the period from 1975-76 to 1979-80 were not big enough.

The Left wingers had put down an amendment of their own which received the backing of more than 88 backbenchers, including three Welsh Nationalists. The amendment, which was not voted on, claimed that the Government was abandoning its electoral promises by making increases in the arms bill.

But, in the event, the rebels swallowed their pride and trooped into the division lobby to endorse the Government policy by 305 to 257. The Liberals also supported the Government.

A Tory amendment condemned the Government proposals on the grounds that our defences were already cut to "absolute bedrock." This was defeated with a Government *majority of 46 (309-263),* the Ulster Unionists supporting the Conservatives.

In the wind-up of the two-day debate, Mr. William Rodgers, Minister of State for Defence, bluntly warned the backbench rebels that any party which abandoned Britain's defences would be courting electoral disaster. He told them that a survey had shown that 96 per cent. of the public thought that the maintenance of our armed forces was essential.

"The great majority of people believe *in their guts* that our armed forces matter and they would not vote for a party that was thought to be soft on defence. I hope my friends who sign the amendment will bear this point in mind."

At the same time he made it clear that Ministers in the Department of Defence would not be prepared to tolerate any further cuts. "I don't see room for further similar cuts in the foreseeable future," he emphasised. "For me, at least, enough is enough and I rest here."

But he added "It is quite unrealistic to expect defence to escape entirely. *It is humbug to* suggest otherwise."

Mr. Reginald Maudling shadow Foreign Secretary, making by far the most impressive speech to have come from the Tory front bench during the debate—accused the Government of increasing the imbalance between Nato and *the Warsaw Pact* countries by making the cuts.

The Left wing, he said, was calling for a reduction in defence at a time when the Warsaw Pact and our own allies were increasing their defence spending.

"Don't we need defending?" he asked. "And if we do need defending, do we rely on other people to *defend us? Is this a* posture for this country?"

It was true, he said, that France and Germa[ny] both increasing de[fence expen]diture, had highe[r ...] us. "But because w[e ...] than them, do w[e ...] dem less?" he ask[ed.]

Throughout the Government came [under a con]certed attack fr[om the Left] wing. Miss Jo Ric[hardson (Lab.] Barking) said that [...] be in a far strong[er ...] the long run if s[...] withdrew from Na[to.]

Mr. Stan Newen[s (Lab., Har]low) said: "I wa[...] ment front bench [...] not prepared to [...] long run what h[...] to-day. We are [...] carry on a strug[gle ...] cuts. The logic of [...] *will eventually c*[...]

Mr. Tom Litteric[k (Lab., Selly] Oak) told MPs: "[...] asked to sustain [...] realistic burden [...] expenditure and [...] precedented cuts i[n ...]diture as well.

The deep divi[sion in] Labour ranks were [...] the speech of [...] Mitchell (Lab. [...] attacked the Left [...] ment. He claimed [...] wingers never cr[...] defence spending.

"Any further re[duction in de]fence expendi[ture would] seriously jeopardi[se our ability] to defend our fr[ee demo]cratic society and [...] not support," he sa[id.]

Brockway says colony lacks democratic rights

HONG KONG was unique in the British colonial system for its absence of democratic rights, Lord Brockway (Lab.), said in the Lords last night.

It had the worst heroin traffic in the whole world, as well as the third highest suicide rate, he added.

Lord Brockway stressed that a commission against corruption was not enough. "The whole administration must be overhauled. The courts must be brought into relationship with the people. We must establish social services and minimum living wages and maximum working hours."

Baroness Elles, Opposition spokesman, said she would like to see Hong Kong remaining a prime financial centre for South-east Asia.

She urged the Government to give an assurance that there were no plans to change the constitutional status of Hong Kong and that Britain would continue to fulfil its obligations to the Crown colony.

Lord Goronwy-Roberts, Minister of State, Foreign Affairs, said that since the war Hong Kong had been faced with a population explosion. "What is remarkable is not that conditions in Hong Kong are as bad as they are, but the quite superb achievements of the Hong Kong Government."

The police force was being radically reformed to combat crime, and the independent commission against corruption, which began operation in February 1975, had made impressive progress in the fight against corruption.

Lord Goronwy-Roberts said: "There is no lack of freedom of speech, of the Press, of discussion, or of unionisation." But a great deal remained to be done and there was no room for complacency.

EEC lead directive attacked in Lords

A TWO-YEAR limit proposed by the EEC for dealing with water contamination by lead was completely unrealistic, Baroness White (Lab.) said in the Lords yesterday.

She claimed that the proposals would create unnecessary expense for British industry and should be firmly resisted by the Government.

Lord Nugent of Guildford (C), chairman of the National Water Council said that the proposed EEC standard was completely beyond the capacity of water treatment to achieve, except by replacing all lead pipes connecting mains supplies to households and in the households as well.

Lord Nugent said: "We reckon the cost would be about £500m., the equivalent of the total capital expenditure for the whole of the water industry over the year.

Baroness Stedman, replying for the Government, said that the Government had made clear its support for reducing the risk of damage to health caused by lead.

But the directive on lead in the blood went too far, and there was an inadequacy of information on which proposals for standards could be based.

The directives on waste did not distinguish sufficiently between substances of proven harm to human health and those which were merely undesirable. "We believe that only the former should be subject to mandatory standards."

Lady Stedman emphasised that the Government was in favour of flexible controls designed to produce an acceptable quality of environment rather than uniform standards laid down by the Community.

Farm te[nancy] successio[n] 'tightly d[...]'

THE COMMONS c[...]sidering the Agric[ulture (Miscel]laneous Provisions [...] day approved by [...] three the part of [...] out which relati[...] right to apply to [...] *tural Land Trib*[unal ...] tenancy on the de[ath ...] ment of a tenant [...]

Mr. Gavin St[rang, Parlia]mentary Secretary [...] said that some cr[iticism of the] Bill had arisen [...] that the Governm[ent ...] to grant automat[ic ...] But this part of [...] out just how tig[ht ...] Government en[...] scheme to be in [...]

Jenkins [...] changes i[n] conspirac[y ...]

By Peter Henness[y,] Lobby Correspond[ent]

MR. ROY JENKIN[S, Home Secre]tary, said yester[day that the] Government would [...] in the next session [...] offence of conspira[cy ...] recent recommenda[tions of] the Law Commissi[on.]

In future, consp[iracy ...] confined to an agre[ement to com]mit a criminal offe[nce ...] will also be limite[d ...] Office has invited [...] interested parties.

Work pe[rmits] unchange[d]

By Donald Maclea[n]

RULES for the work permits ha[ve ...] changed by the Ho[me Office ...] has the way in wh[ich they] are applied. Mr. [...] under secretary for [...] said yesterday in [...] reply.

CPSA president wins injunction over union criticisms

BY OUR LABOUR STAFF

THE Civil and Public Services Association was yesterday forbidden by a High Court judge from putting out its conference agenda unless branch resolutions listed that criticised the union's president were removed.

The order was made yesterday as a last-minute postscript to more general injunctions sought against the national executive of the union by Mrs. Kate Losinska, the president.

Mrs. Losinska won her application to prevent the executive criticising her in its journal or in a circular to members over an article she wrote for Readers Digest warning that the CPSA and other unions were falling under the influence of Left-wing extremists.

The judge said there was no legal justification for "muzzling the union" if it wished to make a counter-statement, provided the statement did not affect her "reputation, integrity and standing."

Mrs. Losinska, who is standing for re-election as president at the union's conference in May, complained that executive censure would prejudice her chances.

Yesterday it emerged that the union's conference agenda contained several resolutions criticising Mrs. Losinska for her anti-Marxist views. Mr. Alexander Irvine, her counsel, said one category of resolution against her could fairly be described as libellous. These resolutions had been removed by consent.

The judge's order regarding the conference agenda is effective until Tuesday, but the other injunctions will stand until a full trial of the dispute or until another court order is made

Mr. Justice Brightman said a resolution passed by the CPSA executive was "about the most serious accusation that could possibly be made against a principal officer of the association."

The executive had no power under union rules to impose sanctions against the president. Only a semi-independent tribunal set up by the executive could find a member guilty of detrimental conduct.

Speaking yesterday after the three-day case, Mrs. Losinska said: "I think this is a victory for the right of freedom of speech, but I am sorry that I had to sue my union."

She added: "I think it is clear from the judge's order that he has upheld the principle of elections without interference from one political faction or another."

Unions should not appoint worker-directors, says SE

BY MICHAEL BLANDEN

WORKER representation on company Boards should not be vested with the trade union movement and should be introduced by voluntary rather than mandatory means, it is argued by the Stock Exchange Council in evidence to the Bullock Committee on Industrial Democracy.

In a strongly-worded submission, the Exchange argues that the Committee's terms of reference are misconceived. It opposes the apparent underlying assumption that "workers" are separate from "management," maintaining that company law "should not be concerned with relationships between different groups of employees."

The Stock Exchange Council also believes it is a "fundamental error for trade union machinery to be suggested as the means of extending employee participation." In the Stock Exchange's view, "the restrictive terms of reference given to the Bullock Committee have precluded a thorough investigation of worker participation."

The Exchange sees dangers in groups of directors not answerable to the owners of the company and who are exonerated from responsibility to shareholders at present borne by all directors. It fears conflicting loyalties among the worker representatives, and is concerned that comments by the TUC "could be taken to mean that worker representatives would not be bound by the secrecy provisions which at present apply to directors."

The Council is not opposed to the concept of representative members of the work-force being appointed directors of the company which employs them, provided they accept the full responsibilities of directors But it believes it is not right at this stage to enforce a rigid formula on company structures. Every effort should be made by companies to explore and experiment with various methods of putting greater worker participation into effect

The Stock Exchange is so far the only leading City body to have published its views on worker participation, but it is understood that its opinions have been echoed by other bodies which have submitted evidence These include the insurance companies, through their trade associations, the clearing banks and the authoritative City Company Law Committee.

The insurance companies have emphasised their concern about mandatory imposition of employee representation at Board level, the importance of flexibility and their preference for an evolutionary approach. They have expressed concern over the possible effect on the efficiency of industrial companies generally, and emphasised the special character of the insurance industry in particular

The insurance companies are particularly worried about the effects, nationally and internationally, of any form of employee participation which would tend to subordinate the interests of their policy holders to the short term interests of other groups. They have also stressed the importance of the doctrine of the collective responsibility of company Boards, and have argued that employee participation in management should be in a consultative form rather than in direct Board membership.

The Company Law Committee has also argued that mandatory two-tier Boards, on the Continental pattern, should not be introduced for their own sake and has supported a flexible approach. It has also suggested that if employee participation is imposed by law, the supervisory Board should have the same responsibilities as directors and the majority of its members should be appointed by shareholders It has also drawn attention to special problems affecting companies in the financial sector, and the possible difficulties in relation to confidential information and particularly bank secrecy

London ambulance men to step up action

By Our Labour Staff

SOME 270 London ambulance officers are to step up their overtime ban and work-to-rule in a bid to hasten settlement of their 10-month-old pay-grading dispute.

The ambulance officers yesterday decided to intensify their industrial action, which is now in its second week, following the failure of new talks with the Department of Health and Social Security.

The officers rejected a department suggestion of a new inquiry into their assimilation into a pay structure which came into force last May and which the officers claim would effectively downgrade them.

Disruption

By the week-end the officers hope that their increased action—which includes holding union meetings during the day as well as a stricter adherence to rules—will create such chaos among the hospital service that the department will meet their claim.

But a London Ambulance Brigade spokesman said last night that the officers' action had so far had only a "limited effect." The situation would become progressively worse if the work-to-rule was intensified The officers again stressed that emergency cases would not be affected by their action.

Mothers win right to have jobs back within 40 weeks

BY CHRISTIAN TYLER, LABOUR STAFF

LEGAL PROTECTION for women who leave their jobs to have babies but wish to return later comes into force on June 1, along with other provisions of the Employment Protection Act, the Department of Employment announced yesterday.

A woman who has worked two years for her employer, continues to work up to 11 weeks before confinement and tells her employer she wants the job back, will be entitled to be reinstated at any time within 29 weeks after the baby is born on the same or equal terms and conditions.

She will also be protected from dismissal on the grounds of her pregnancy and in the case of claims industrial tribunals will look for evidence that an employer tried to find suitable alternative work for her during pregnancy.

But if she is medically unable to work or debarred for some legal reason, she will not be considered to have been unfairly dismissed.

The Employment Protection Act also provides for six weeks' maternity pay to come out of a central employer fund, but this provision will not be introduced until April next year.

Yesterday's announcement means that the bulk of the Act's provisions will be effective by the summer. Those left over until next year include the right to payments for employees on short time or laid off (up to £6 a day for five days a quarter) unless the loss of work is due to industrial action.

Other workers' rights introduced from June 1 are: protection from an employer who prevents a worker joining an independent trade union and taking part in its activities, or who compels him to join a "non-independent" union; time off with pay to look for another job for a worker who is to be made redundant; revised compensation terms in cases of unfair dismissal; longer minimum periods of notice, and more detailed written contracts of employment.

Spanish plea

MR. JACK JONES, general secretary of the Transport and General Workers' Union, yesterday appealed to the Government to fully support the "Democratic Co-ordination," the new alliance of Left-wing opposition groups in Spain.

Mr. Jones, who fought with the International Brigade in the Spanish Civil War, calls for the support in a letter to Mr. Jim Callaghan, the Foreign Secretary.

ASTMS wins certificate as independent union

BY OUR LABOUR STAFF

A CERTIFICATE of independence has been granted to the 357,000-member Association of Scientific, Technical and Managerial Staffs, despite an objection from a confederation of small, mainly staff, associations that ASTMS is "subsidised" by employers.

The Confederation of Employee Organisations, which is itself applying for a certificate, claimed in its statement to Mr. John Edwards, the certification officer, that ASTMS was subsidized to the tune of about £5m. a year.

The confederation claimed that ASTMS had about 5,000 accredited representatives across industry. The value of their time off for union business, their use of offices, secretarial help, telephones and so on amounted to £1,000 a year per representative.

Mr. Paul Nicolson, the confederation's general secretary, who said yesterday he was very distrustful of the certification procedure, has also claimed on the same grounds that the Electrical and Plumbing Trades Union gets employer help worth £7m. a year. The EPTU is expected to be issued with a certificate soon.

In order to grant a certificate Mr. Edwards and his staff have to be satisfied that the organisation is not likely to be dominated by employers. The financing of the union is therefore a crucial test.

Mr. Nicolson claimed that the process was politically biased against bodies like his affiliates who are largely single company unions.

A certificate of independence—ten have been issued so far—gives a union access to recognition and other procedures laid down by the Employment Protection Act. It will be virtually automatic for the big TUC-affiliated unions like the EPTU.

London hospital workers to strike over pay claim

ANCILLARY workers at two London hospitals plan a one-day strike to-day in support of a claim for £100,000 in backdated payments.

Porters, kitchen staff and other hospital workers at St. Stephen's, West Brompton, and St. Mary Abbot's, Kensington, are claiming payments dating back to 1964.

The strikers are members of the National Union of Public Employees.

Mr. Ray Angel, a NUPE shop steward at St. Stephen's, said the union was claiming that during holidays and sickness periods, workers should be paid the same rates as for weeks in which they were receiving overtime

This he said, was set out in a report by the Whitley Council, the pay negotiating machinery within the health service.

"We have been pressing for this since 1972 and the management still have not come up with anything concrete," he said.

The Kensington and Chelsea and Westminster Area Health Authority said that the strike was "unnecessary."

Daily discussions were going on, and would continue, to try to determine which workers were entitled to the payments. The Whitley Council report was obscure and made it difficult to determine how payments should be made.

To-day's strike, which would not affect emergency cases would cause "minor inconvenience" to patients.

Joint apprentice training scheme urged by TUC

THE TUC is to press the Government to introduce a joint Government-employers' apprentice training scheme, Mr. Brendan Barber, of the TUC's organisation and industrial relations department, said yesterday

It felt that employers, by looking at short-term trends did not give their apprentices proper training, he told a conference in Oxford organised by the British Association for Commercial and Industrial Education.

It wanted the Government to step in and put money into a scheme that would ensure that apprentices got the right training

Mr. Barber said the TUC believed that training could play an important role in offsetting unemployment and helping in the introduction of future skills.

"It's essential for this country that well-planned training is recognised as being the only way of helping industry and of helping young people realising their skills."

The TUC also wanted to see the introduction of further adult retraining schemes not only in colleges but also in industry, Mr. Barber said. There had been some criticism of job creation programmes on the basis that the jobs were not satisfactory, but in fact the jobs had been shown to be thoroughly worthwhile.

Equally important was the plight of thousands of young people who did not receive training on leaving school. The TUC wanted day release courses for them

Since the introduction of the 1964 Industrial Act and the industrial training Boards, the TUC had been conscious of the need for training opportunities, said Mr. Barber.

This had become a primary motivation of unions The TUC would help with active manpower policies, but "without any such training policy there can be no road to recovery"

Jersey parcel post suspended

A STRIKE by harbour workers at Jersey has led to the Post Office suspending parcel post services to the island.

From to-day no parcels for delivery in Jersey will be accepted until further notice. Air mail letters are not affected by the strike.

The Property Market

BY QUENTIN GUIRDHAM

Greenwell's frightens the market

IN THE thin market before the Budget, the sharp decline in property share prices over the past two days started more from marking down than real selling. But the slide has bought out all the old rumours of imminent failure, plus a few fresh ones. This is not specially significant—the share prices of the groups concerned tell the story clearly enough. But the real weakness is indicated by the ability of two brokers' comments to start the marking-down process.

Greenwell's report continues the analysts' crusade for greater disclosure from property companies while also drawing some pretty bearish conclusions about current values. In one sense the Quilter Hilton Goodison note on the English Property Corporation figures followed the same line in putting the shares in its "speculative" basket: the figures might be better than expected, but without enough detail, particularly on the amount of development outgoings capitalised, they are difficult to interpret, it said.

Greenwell's plea for more information centres around the difficulty of getting any clear picture of the reversionary pattern or the structure of portfolios. It points to the failure of Amalgamated Investment and Property as a test case because it considers the real reason for the 50 per cent. fall from AIP's 1973 valuations was the proportion of top-slice sale and leaseback deals the group had entered into in the early 1970s where the top slice had faded away to nothing. There was no way to tell from the balance-sheet the extent to which AIP's leasehold properties of £62.6m. were composed of such arrangements.

On valuations, Greenwell consider that many of those done last year and thus have still not faced the facts on central London rents. And, while admitting that the reversionary market has improved, the brokers consider that it has not yet done so in the case of very large units with five or more years to go to review time. Since it is these larger units which make up a large part of the leading company portfolios, "it appears that the asset values of these companies assign a higher value to the reversionary potential of such companies than the direct market would currently support."

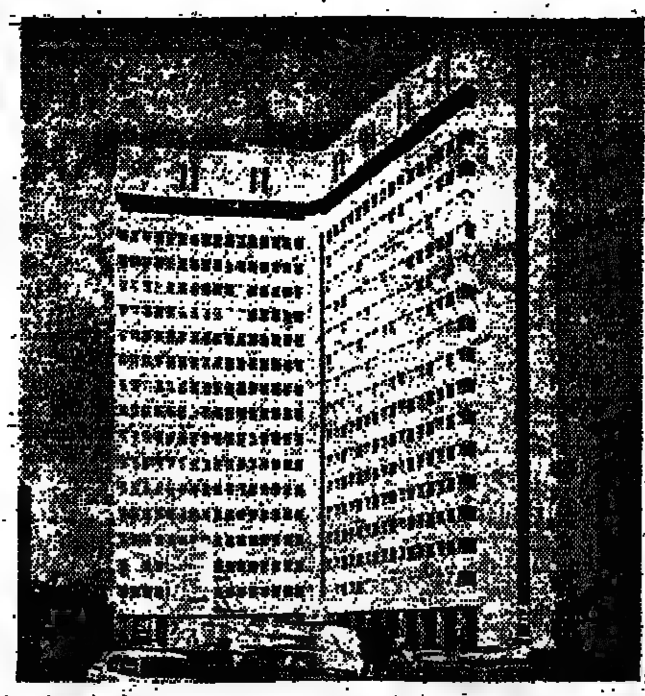
So Greenwell's emerges with a message quite different to the general market wisdom ("Wait for another bust and then start buying property"). It is saying that most property shares are expensive relative to direct property and that where practical its investment clients should put their new property money into central London office properties costing more than £5m. and with five or more years to run until a review.

FDTTB buys in Gloucester

Barton House, a new 34,200 square foot office building in Gloucester completed by Freshdell Developments, has been sold to the Food, Drink and Tobacco Training Board. The board, advised by Jones Lang Wootton and Bruton Knowles in the purchase, has also through JLW disposed of its existing headquarters, 22,500 square feet of space in Croydon's Leon House, at £6.10 per square foot to Property Growth Assurance.

That represents one of the highest rents obtained recently in Croydon, Leon House being a good building, and while the standard early 1960s blocks are now being offered in the £4.50 to £5.50 per square foot range, Raymond Green, the JLW local partner, thinks that the worst of the slump in Croydon rents is now over.

On his calculations the total of space on the market, around 250,000 sq. ft., has remained constant for the last six months. What is available now, apart from three 30,000 to 40,000 sq. ft. units, is mainly in quite small suites. And around 60,000 sq. ft. is currently in negotiation or at the fairly advanced discussion stage. From the peak 1975 rents at £7.30 a sq. ft., Green reckons the market is settling at a "far more competitive level."



Bristol has enjoyed one relocation boom (Clerical, Medical and General Life Assurance, the NatWest, Phoenix Assurance, London Independent and General Assurance and others) and perhaps it is due for another. What has bothered potential movers in the last two or three years has been staff shortage, or at least talk of one. Bulls of the city now say the wide catchment areas means it can provide quite enough clerical staff for some more large relocations, while the start of the High Speed Train service will add glamour to the London link. The two buildings above, Beaverbrook Properties' Tollgate House (left) and Laing Development's Whitefriars office scheme, are two just completed candidates for those growing tired of the capital. Tollgate House is marginally the larger, at 148,000 sq. ft., and the asking rent on both is around [...] mark. At present a division of the D[...] of the Environment is looking for thi[...] space in Bristol, and both buildings h[...] studied closely. There is plenty of ot[...] on the market in Bristol, but the loc[...] is that one of these two developments [...] the bureaucratic fish.

OUT AND ABOUT

● In what appears to be the first instance of a Development Corporation entering a joint company with a private sector group, Milton Keynes Development Corporation, a quasi-governmental authority, is joining with William Moss Property Development to form the spendidly titled "The Willen Lake and Promontory Development Company."

Beside the artificial Willen Lake, the joint company will develop 100,000 sq ft of offices, a 100-bedroom hotel, a golf course, sailing club and some housing. Construction is scheduled to begin next year and the cost estimate is around £5m. When the details of the joint venture are known, it might form a pattern for other authorities to follow.

● ICL Pension Trust has paid £425,000 for a 40,000 sq. ft. cash and carry mart in Eastbourne, designed and built by the Survey House Group and let to Booker Belmont. Conrad Ritblat acted for the trust.

● About half of Irongate House, Dukes Place, London EC3, an Imry Property Holdings development in association with the Norwich Union, has now been let. Tenants include Ofer Shipping, Herbert Watson, Dart Containerline and Seaboard Surety. Ofer Shipping and Seaboard Surety were represented by Farebrother Ellis and Richard Lionel and Partners respectively. Joint agents on Irongate House are Knight Frank & Rutley and Jones Lang Wootton who are now trying to get £47,000 p.a. exclusive for a floor of 4,340 sq. ft. with smaller suites also ready.

● Acting for the joint vendors, Law Land and the Polly Peck Group of Companies, Bernard Thorpe & Partners and Gordon Linch & Company have arranged the sale of the long leasehold in No. 37 New Bond Street, London W1 to the Life Association of Scotland. The lease has 1,950 years unexpired and a price of around £575,000 was paid. The property has 4,750 sq. ft. of retail, office and showroom accommodation, with income principally derived from Gerald Austin, the shop tenant, and from Sotheby & Co. The purchasers were represented by their retained agents Edward Erdman.

● The Langley-Smith Group has taken 46,727 sq. ft. on Galliford Estates' Port of Harwich Industrial Estate. This takes the total let over 100,000 sq. ft., more than half the first phase, but the estate is planned for a total of 1m. sq. ft. over 77 acres. The letting was by Weatherall, Green and Smith.

● Control Securities has let St. James House, Hargreaves Road, Burnley to the Department of the Environment. Total net floor area is 20,600 square feet and the rent is above £33,000 p.a. Letting agents were H. W. Petty and Company of Burnley.

● Right location for the Fairview Estates letting to Angel Man, reported last week, is West Ferry Road, London E14. Agents Mendoza also report getting a premium of £3,000, on a rent of £5,300 per annum, for J. Sanders and Sons, in disposing of their leasehold interest in a 2,650 square feet industrial unit at Cricklewood Broadway, London NW2 to Messrs. Jollybird.

● MFI Warehouses [...] new 30,000 sq. ft. [...] Taylor Woodrow [...] Industrial Estate, [...] ing around £1.15 pe[...] is retaining 16,000 [...] subletting the res[...] Warehouses and [...] James Barr acted f[...]

● Clive Lewis and [...] conjunction with [...] and Burns, on be[...] Properties, have let [...] of offices at Manor[...] ford, previously [...] Hall Aggregates [...] Counties) to a pl[...] company represent[...] and Company. Ren[...] p.a. exclusive.

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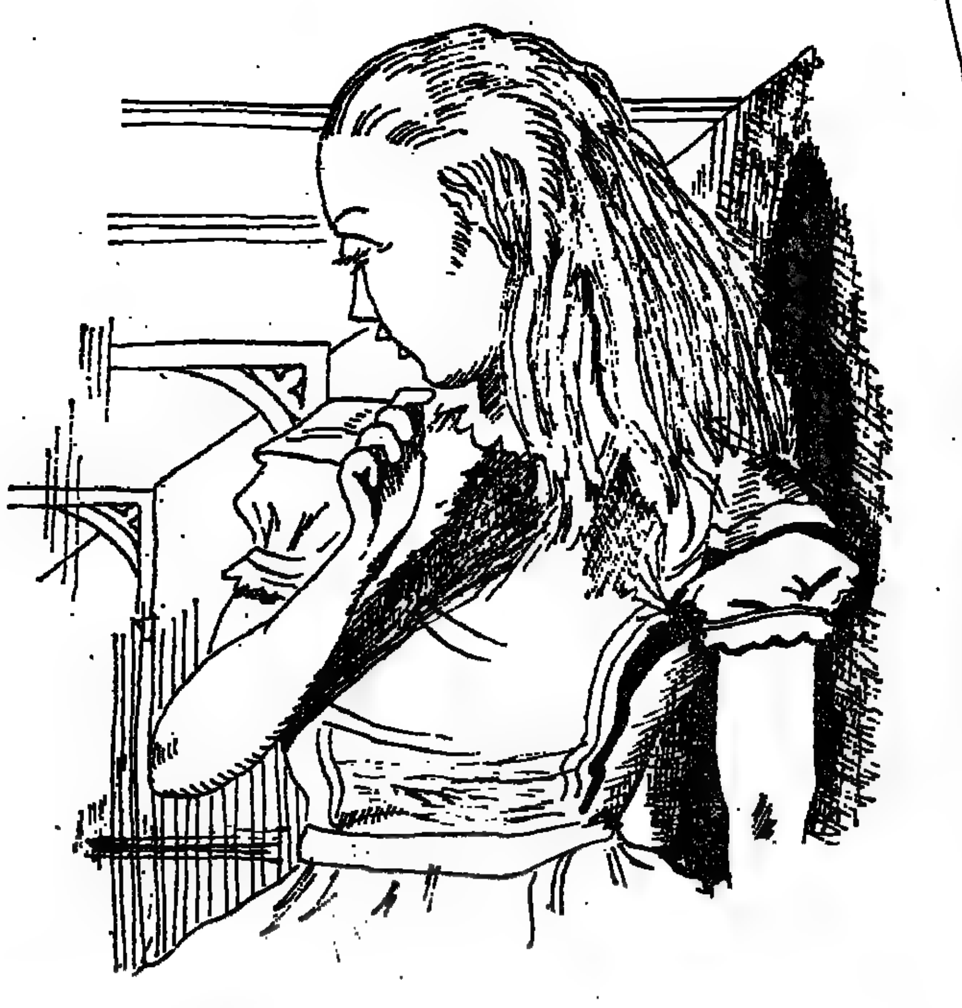

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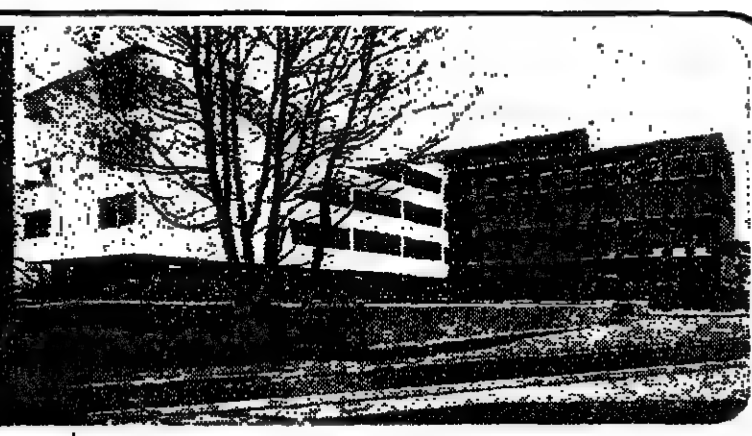

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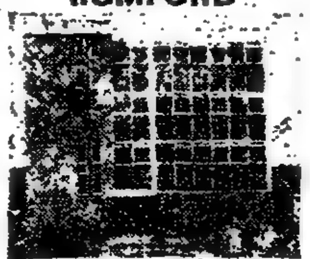

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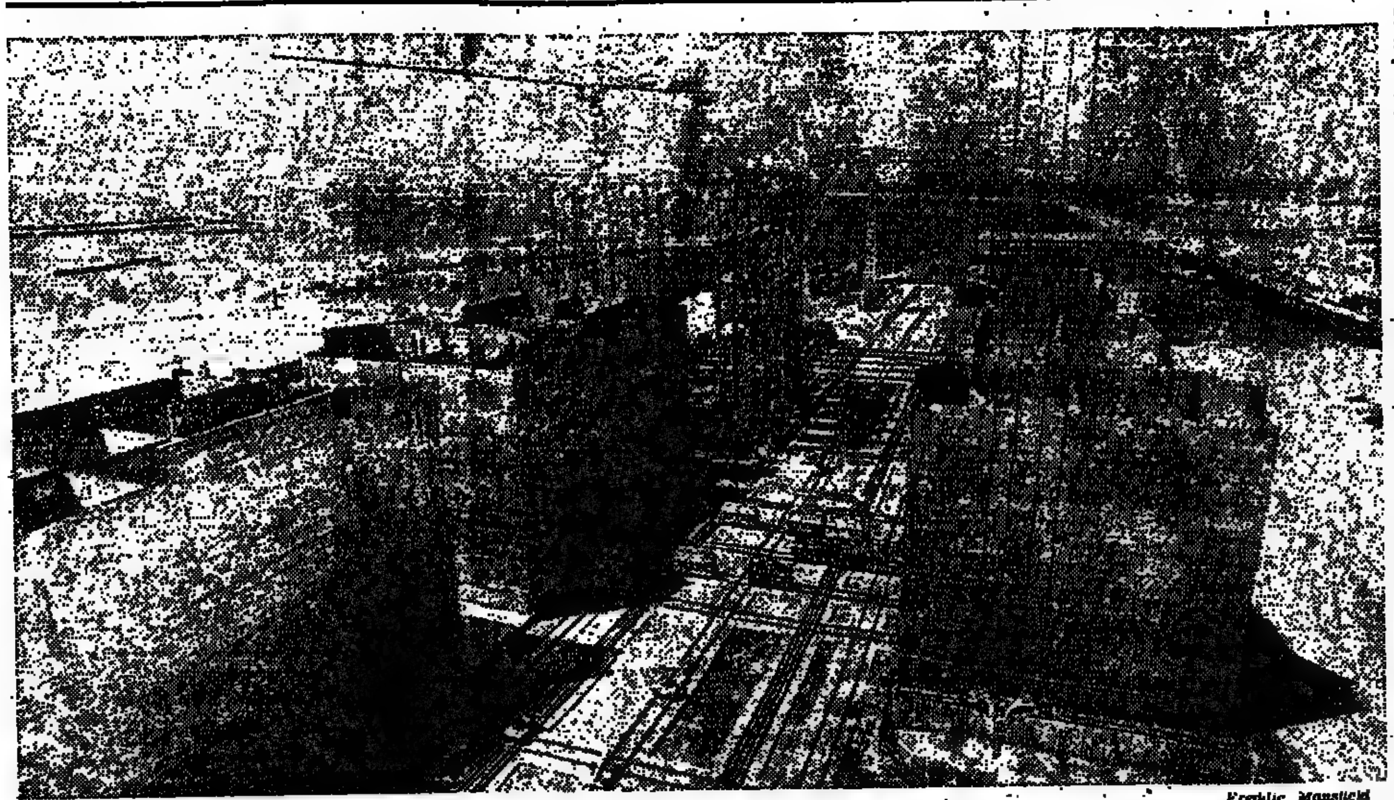
The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS



Freddie Mansfield

Production of caissons for the dry docks being built at Dubai is three months ahead of schedule. The caissons, some of which are seen here under construction, each weigh 3,500 tons, are 16 metres high and 30 metres long. Production at the time this picture was taken was at the rate of two a week, but the aim is to step this up to ten every four weeks. After construction the caissons are floated to the dry dock site. The Dubai dry dock project is being carried out by a Costain-Taylor Woodrow joint venture. Consulting engineers are Sir William Halcrow and Partners. Completion of the docks is expected in 1978.

● PROGRESSING

Scrap shear cuts thick plate

BELIEVED TO be the largest hydraulic scrap shear of its type ever made in Europe, a machine built by Maschinenfabrik Becker and Co., KG, Dortmund, has been purchased by the Bird Group at a cost of about £800,000. It is to be installed next month at an undisclosed U.K. location.

The machine, which weighs nearly 500 tonnes, is stated to be able to cut through six inch plate, or to crush whole rail wagons complete with wheels and axles. It has a 2000 tonne shearing action, with an ancillary 2000 tonne compression box. During commissioning it will have a throughput of 2000 tonnes/week, expected to rise to a maximum production rate of 8000 tonnes/week.

The group has ordered two more machines from Becker for delivery next year—these are 800 tonne compression shears, and the order is in the region of £650,000. This completes a £4m. expansion and re-equipping of the group carried out over the past 18 months, which has included, among other machinery, three car shredders capable of a combined output of 6000 tonnes/week.

The Bird Group, which is at Birmingham Road, Stratford-upon-Avon, Warwicks., CV37 0AZ (0789 3222), says the investment in steel scrap producing machinery was made to meet an expected upturn in steel industry demand.

● HEATING

Stoker for coal-fired furnaces

SMOKELESS combustion of free-burning coals at rates up to 75 lb/sq.ft. of grate area per hour are stated to be possible with the Escom stoker from G. P. Worsley and Co., Haydock Lane Works, St. Helens, Merseyside WA11 0UU (0744 24891).

It is claimed that this high burning rate enables coal-fired furnaces to be produced with dimensions similar to equivalent oil-fired units. The stoker can also be used to convert an oil-fired boiler to coal with minimum down rating.

Automatic ash removal is provided allowing the furnace to be banked down. Volatiles are drawn from the grate and recirculated through the fire bed, which improves efficiency and reduces smoke emission.

● ELECTRONICS

Wire-wrap packaging system

MAINLY intended for wire-wrapped digital electronic equipment assemblies is a system called "Module Library" now being introduced into the U.K. by Teradyne Components, Nuffield Road, Cambridge, CB4 1TF.

Claimed advantage over other systems is that complete facilities are offered right down to board level so that all the necessary items can be bought from one supplier.

Each complete U-shaped board enclosure incorporating an edge connector at the rear of the "U" is located accurately on a robust aluminium backplate. Board interval can be 0.6 or 1.2 inches, across standard 19 inch racking width. Boards can be assembled in single and double row configurations, and also in two heights (about six and nine inches).

The slots in the enclosures that take the boards have a pinch feature that clamps the board at mid-point to reduce vibration. The edge connectors, which have "tuning fork" and edge card contacts, have 38+38 contacts on a 0.1 inch pitch. Top bussing, on an extension of the connector but outside the enclosure, distributes supply voltages.

The four sizes of pluggable board can be provided with IC socket mounting in a number of layouts to suit various kinds of general digital function. It is claimed that the system gives the designer a choice ranging from 14-pin logic to the complete freedom of a universal board. Tracked board facilities can also be provided.

● MATERIALS

Cleans the textiles safely

ULTRA-PURE cleaning liquid formulated for the textile industry by Micro-Image Technology is called "Safetyklene 3."

With a chloroethane base, this new spot cleaner is filtered down to 0.2 micron, removing all the contaminants which normally cause "ringing." Coupled with low toxicity and no flash point, this makes it an extremely safe product to use.

Micro-Image Technology, Greenhill Industrial Estate, Riddings, Derby, DE5 4UB. 077 384 (Leabrook) 3383.

● ENERGY

Making the most of steam

SIGNIFICANT energy savings in industries which use process steam, can be achieved, it is claimed, with a device which replaces conventional steam traps. Called the Flexitallic drain orifice assembly it has been introduced by Flexitallic Gaskets, a subsidiary of Engineering Components (Turner and Newall).

It is said to meet the criteria for efficient condensate removal normally associated with steam traps over a pressure range from gravity flow to 175 bar (2,500 psig) and is used by the U.S. Navy, which originally developed it. The U.S. patent has been licensed to Flexitallic for worldwide use, except in U.S. government applications.

The assembly consists of a stainless steel circular flat plate with a hole or orifice appropriately sized for operating conditions. The plate is held between spiral wound gaskets, one with an integral stainless steel strainer to prevent dirt and scale from eroding or clogging the orifice. The assembly is inserted between flanges in the steam line and the flanges are bolted up.

Alternatively orifice plate, strainer and gasket can be carried in a metal body which is screwed or welded into the line.

Condensate in the line moves through the orifice continuously, thus keeping the steamline dry. There are no moving parts and the assembly is easily replaced if required, by simply unbolting the flanges. Steam losses that a conventional trap incurs when it fails are avoided.

The company says the assembly has a service life of at least six years. Because the critical feature of the assembly is the correct specification of orifice size, Flexitallic has produced a design handbook which enables plant engineers to calculate the correct orifice sizes for specific operating conditions and applications.

More details are available from the company at Station Lane, Heckmondwike, Yorkshire WF16 0NE (Heckmondwike 405571).

● RESEARCH

Test gear for China

SINCE FROUDE Engineering moved to Gregory's Bank, Worcester, two years ago, the company has invested some £½m. on buildings and plant, and plans to invest a further £½m. this year on machine tools and electronic equipment.

The money is from the company's own resources, and the managing director, Mr. Arthur Shillitto, says that the parent company, Redman Heenan International, is prepared to provide further investment if required.

Commissioning of the new facilities is now complete, and projected turnover for this year is £5m. Current work in the factory is on large dynamometers for Romania, and two orders, worth a total of £350,000, have been received for dynamometers for China. The company has received orders for some 130 machines for program and computer-controlled testing of reciprocating and rotary prime movers up to a maximum of 9000 hp.

Apart from its work in developing hydraulic dynamometers, the company is carrying out research on a rolling-road for testing heavy commercial vehicles and a vehicle retarder. Other projects include an eddy-current dynamometer and a regenerative dynamometer.

● DATA PROCESSING

Power for systems

DESIGNED to energise OEM data processing equipment is the 6300C power unit from Hewlett Packard. Input voltages can be from 180 to 250 V AC and the unit has protection against mains transients or failure.

Convection cooled, the supply unit uses a 20 kHz transistor switching design that minimises conducted interference and radiation. It measures 4.96 x 3.44 x 10.82 inches.

Output regulation is to 0.1 per cent, and the unit can supply 22 A at the customary 5V with the ambient temperature between 0 and 40 degrees C. Linear derating is 0.37A per degree C from 40 up to 70 degrees C. Ripple and noise is 5 mV RMS.

In data systems applications the power supply output can be shut down by a TTL control signal or by a contact closure. An important additional feature is the provision of a delay in loss of DC output voltage following mains power failure or transients.

During the delay the supply maintains terminal voltage to within 2 per cent. for a minimum of 20 milliseconds under full load. This permits an orderly system shut-down sequence. More from King Street Lane, Winnersh, Wokingham, Berks RG11 5AR (0734 784774).

Phone bill controller

MINSTER Automation, manufacturer of the Tiger telephone accounting system, has formed a subsidiary, Minster Automation Computer System, based in Croydon. The new company is responsible for developing, installing and maintaining software used to provide management reports on data captured by Tiger.

Tiger (Telephone Information Gathering for Evaluation and Review) interfaces with a private automatic telephone exchange and uses a PDP 8 minicomputer to record data on standard magnetic tape.

This information contains details about all incoming and outgoing telephone traffic, such as destination, duration, cost, originator, etc.

A standard suite of programs, called Status, which runs on the Tiger user's own computer, uses this data to provide a range of reports giving detailed cost and control information, which helps to answer the vital questions of "How much is being spent on the telephone service, by who, when, where and why?"

Generally, it cuts telephone bills by better than ten per cent. Minster is at 01-680 1977.

● WELDING

U.K. robot gets an airing

BOC'S Engineering Division and Hall Automation (HAL) of Watford are jointly studying the application of robot technology to the field of automatic welding.

Availability of robot equipment creates opportunities for the welding industry to make repetitive welds with a high degree of accuracy and freedom of movement in three dimensions. BOC is internationally known in welding technology, and produces a comprehensive range of automatic welding equipment.

For this latest development, a BOC power source, wire feed unit and torch are used to provide a MIG welding package for use with the HAL-produced industrial robot.

Hall Automation, Britain's only designer and manufacturer of industrial robots, earlier produced the RAMP (Random Access Multi Programme) teachable automatic paint spraying machine which is now being sold on a worldwide basis. In addition, special mechanical handling sequence machines, designed and built by Hall Automation, are in use, with several manufacturing companies.

BOC and HAL exhibited the prototype of the new robot at Nottingham Univer[sity] First Joint Robot [...] (FJRC).

BOC, Hammersmi[th] London, W.6 (01-748

Toxic fu[mes] removed

TO REMOVE the t[...] and particles created [...] a portable unit ha[s] [de]veloped in Sweden. [...] the work site it suc[ks] [...]ted air, and filters c[on]taminants. The e[...] stated to comply wit[h] industrial health and [...]lations.

The filtered air is [...] the workshop, which [...] to reduce heating co[sts] [...] is no external exha[ust].

The unit is m[ade by] Swefilter (U.K.), T[...] Berry Hill Industr[ial] Droitwich, Worcs., (09057 4362).

● INSTRUMENTS

Indicates a drop in visibility

AMBIENT natural or artificial light have no effect on visibility readings obtained with the WM74F detector introduced into the U.K. by WeatherMeasure Services, 13, Kem Street, Nuneaton, Warwicks CV11 4LH (0682 66178).

A near infra-red light source (LED) is modulated at 1 kHz, projected, and some of the reflected light collected in a receiving lens. A gating circuit in the receiver only passes light that is in synchroni[sm with the] projected beam, [...] ambient effects. If t[he] visibility falls belo[w a] level a relay is clos[ed].

Automatic compe[nsation for] changes in projected [inten]sity is obtained by [a] guide mounted in f[ront of the] lens and fed to the [...] resultant DC voltage [...] to a reference so t[hat] the lens, temperatu[re] and mains voltage [are] all compensated. [...] statically controlle[d to] prevent dew formati[on on the] lens.

Visibility range i[s ...] to 1 km, and informa[tion ...] telemetered to a rem[ote ...] required. A model [...] for ranges of 100 [...] 10 km.

Keith Lewis looks at how a diverse group is drawn together by a distinctive management style.

The heart that makes Hanson grow

LIKE IT OR not, Mr. James Hanson, chairman of Hanson Trust, is branded as one of "Jim's boys"—referring of course to Mr. Jim Slater, ex-chairman of Slater Walker Securities. Certainly the two men are firm friends and it is true that SWS took a 15 per cent. stake in Wiles Group, the former name of Hanson Trust, back in 1968. And certainly the Hanson and Slater partnership worked a powerful double act in the take-over field in the late sixties and early seventies.

Any connections and similarities end right there. Jim Slater never made any secret of the fact, in private at least, that the actual running of companies was not his main interest. Mr. Hanson would claim that he is the opposite, being a manager first and foremost and having had to learn about money. He would argue fiercely that he is not a juggler of pieces of paper and that he has "never picked the pockets of the public."

Hanson Trust itself has arrived as an extremely diverse company. But, contrary to the apparently unrelated nature of the bid programme, the pieces have been carefully, if rapidly gathered and slotted together and the company's nature has changed a great deal since the Wiles Group started to branch out into other areas. Acquisitions in the U.K.—all of which are consistent with Hanson's particular management style—have taken the company into, among other things, sack hiring, engineering of various kinds, brick-making, plant hire, motor distribution and property. The recent expansion into the U.S. has added a further, probably more important facet to the company.

By and large, all the pieces in the U.K. have been kept and probably improved, though it is difficult to judge the individual success of acquisitions due to general industry recession in some of the group's new areas—notably the construction industry. But what can be said is that, overall, the group has grown in terms and earnings over the past ten years. For its last financial year, Hanson reported pre-tax profits of over £12m. on sales of £75.7m.

The Hanson management style is distinctive if nothing else, but would probably have the advocates of employee participation screaming in protest. The main Board is unusually small for a company of this size, numbering only six. And the direction of the group is decided from there: middle management has no say whatsoever in policy matters or the grand design of the company.

Mr. Hanson will not promote divisional managers to the main Board for the simple reason that he feels they would spend more time attending Board meetings and learning the ins and outs of their colleagues' business. And in such a diverse company as Hanson Trust this could represent quite a task. The Hanson way is for managers' minds not to be cluttered with matters that do not basically concern them. He is in daily consultation, by telephone, with most of the managers — but individually, seldom together.

The collation of financial statistics at head office is enough for the central body to gauge the performance of the various interests. One gets the impression that failure is given just as instant recognition in the group as success.

Mr. Hanson will maintain that it is this style of management that has contributed largely to his success. It would be fair to add that, as managers, those at the helm also have a fair eye for acquisitions and the late sixties and early seventies saw the group romping through a multitude of small bids. However, the company has not had everything its own way. Early in 1972, the group sprang a cheeky £28.5m. bid on Richard Costain, the civil engineering group. Had it gone through Mr. Hanson feels that this would have provided an ideal opportunity to bring their unusual style of management to bear on a group which at the time was approximately the same size. It was not to be, however, and Hanson's stoutly opposed bid finally lapsed in the April because of a fundamental failure to agree on price and rationale.

An even more fascinating union was proposed just over one year later when Mr. Hanson found himself on the receiving end of a bid. The irony was compounded by the fact that the bidder was Bowater, headed by another of Mr. Slater's former colleagues, Mr. Malcolm Horsman. This would have been a classic contest, with two highly individual, entrepreneurial characters attempting to work together. But that, too, was smartly dropped after the Government decided to refer it to the Monopolies Commission.

As it is, Mr. Hanson, in harness with partner (but now no longer a director) Mr. Gordon White, sped off in a completely different direction—due West to be exact. In November 1973, Hanson Trust made its first U.S. "hit," paying £4½m. for a 24 per cent. stake in Gable Industries Incorporated, a building materials group. Just over a week later, £13.7m. was paid for Howard Smith Inc., a producer of edible oils and feedstuff.

A period of relative calm ensued before the purchase for £1.9m. in October, 1974, of 22 per cent. of United Artists Theatre Circuit, the second largest cinema chain operator in the U.S. Here Mr. Hanson ran into his first taste of problems of the American bid game when a legal dispute arose alleging that its purchases of UATC's shares violated the Securities and Exchange Act, and that false statements had been filed with the SEC. A complex settlement was arranged.

The summer of 1975 saw the biggest deal when Hanson paid £16m. in cash for the specialised textile division of Indian-Head, a company with a Dutch parent. Last November a 27 per cent. stake was bought in meat packagers and processors Hygrade Food Products Corporation for \$7½m. (£3.9m.) cash. In February of this year he went to pick up the remaining shares at \$30 a share, but then ran into a second bout of trouble when two shareholders in Hygrade filed suits against Hanson Industries Inc. (the wholly-owned U.S. subsidiary), its parent company and the Hygrade directors. Without dismissing this at all lightly, it is felt that this will present no great problem for Hanson to overcome—at least in the course of time.

This brings Hanson's bid jaunts up to date and it is possible to reflect on their significance. In factual terms—assuming the Hygrade offer is ultimately successful—Hanson will have approximately 80 per cent. of its sales coming from North America, and its outlay in total has been around \$80m. (£41.5m.). The decision to go into North America was based on common sense. In 1973, Hanson saw a chance to buy-in when market values were flat on their backs. That was true, too, of the U.K. except Hanson could see the recovery coming faster on the other side of the Atlantic. This was, of course, a correct assessment, though Mr. Hanson could hardly lay claim to being alone in this observation.

Where he has been different, however, is first of all the speed with which he has acted, and secondly in his ability to pick his way through the legal and regulatory minefield of the American bid scene.

His accomplishment is due to having a strong resident U.S. team, the members of which are encouraged to "think, breathe and live America." Takeover criteria are carefully sketched and observed.

The first requirement is that Hanson wants a controlling stake, or at least a good chance of getting one; successful management must be retained; the balance sheet must have the right qualities; and only then is it important what the company actually does. From this point, Hanson steers clear of certain areas, mainly concerned with high technology, and it would also avoid mass retailing.

The aim at present is for Hanson to make one, possibly two more acquisitions in America. And then we can look forward to the prospect of Mr. Hanson turning his attention to other parts of the globe. Australia, South East Asia and maybe South America at a later date are all possibles.

MAJOR U.K. ACQUISITIONS

Date	Company	Price paid
April 1968	West of England Sack Holdings	£2.8m.
Nov. 1968	Butterley Company, engineering and brick manufacture	£4.5m.
Jan. 1969	Provincial Traction, vehicle distribution	£1.5m.
Jan. 1971	National Star Brick & Tile	£1.4m.
	MAJOR U.S. ACQUISITIONS	
Nov. 1973	Gable Industries (24 per cent), building materials	£4.5m.
Dec. 1973	J. Howard Smith Inc., edible oils and animal feedstuffs	£13.7m.
Oct. 1974	United Artists Theatre Circuit (21.5 per cent)	£1.9m.
July 1975	Indian-Head, specialist textiles division only	£16m.
Nov. 1975	Hygrade Food Products (27 per cent), meat packaging and processing	£3.9m.

STRIKES

How Britain compares

WITH BRITISH LEYLAND once again in the grip of serious labour difficulties, the image of the U.K. as a perpetually strike-torn country will be given a further boost. As the figures below indicate, the U.K. has by no means the worst strike record among the main industrial countries, but it is sufficiently bad to provide no grounds for comfort. Of British Leyland's main overseas rivals, only the Italians have done worse.

DAYS LOST per 1,000 employees in industrial countries (annual average)

	1970-74	1965-69
Switzerland	2	8
Sweden	64	28
W. Germany	90	10
Netherlands	118	12
Japan	288	198
France	300	242
Belgium	512	156
U.K.	1,186	300
Australia	1,344	482
U.S.	1,380	1,230
Canada	1,732	1,556
Italy	1,746	1,584

Source: Department of Employment

DAYS LOST per 1,000 employees in major U.K. industries (annual average). 1966-73

Mining	4,388
Vehicles	2,105
Shipbuilding	1,820
Transport	976
Metal manufacture	762
Electrical engineering	721
Mechanical engineering	624
Construction	538
Other manufacturing	517
Bricks, pottery etc.	330
Instrument engineering	292
Metal goods	284

Source: Department of Employment

The U.K. figures conceal wide variations between different sectors. There are large parts of British industry which suffer very little from strikes, especially where the plants are relatively small. Coal mining, the docks and the motor industry have consistently been at or near the top of the list of strike-prone industries. In 1975 the Department of Employment recorded 150 stoppages in motor vehicles costing 836,000 working days; this was better than in 1974 (223 stoppages and 1.8m. working days lost) and until recently there had been hopes that 1976 would show an even bigger improvement.

A determined voice for the BIM

Mr. Roy Close

BRITAIN'S MANAGERS will next week gain a new national spokesman who is determined to give them a more effective public voice, expounding their virtues and denying they have many widespread failings.

He is Mr. Roy Close, 56, who takes over as director general of the British Institute of Management at a key time in the development of the role of managers, both within companies and in national affairs.

One of his first tasks will be to tackle the role of the BIM. This means guiding it either into the arena now occupied solely by the TUC and the CBI, or into the world of "learned" institutions representing people who are anxious to give themselves a professional identity.

At the same time, the growth of trade unionism in the managerial and professional employees area, plus the need for managers to be given a voice in companies' employee participation schemes, sharpens the choices before the BIM.

Mr. Close will bring to his job—thought to carry a total remuneration of about £20,000 a year—a mixture of public and private sector experience. Originally an industrial journalist, he was a senior executive with Booker McConnell before going to the National Economic Development Office in 1966 where he was industrial director from 1970 till 1973. Since then he has been chairman of the University of Aston Management Centre.

At the BIM, where he is on a six-year contract, he partly replaces Mr. Peter Churchill, the institute's chief executive who, because of ill health, is to spend his final year before retirement as a BIM consultant. Mr. Close also arrives towards the end of Sir Frederick Catherwood's two-year chairmanship of the BIM. Sir Frederick, who has been a devoted exponent of the need for a management "voice" in public affairs, hands over this part-time post in October to Sir Derek Ezra, chairman of the National Coal Board.

Mr. Close will therefore have a clear field to establish himself as the BIM's permanent spokesman and he is well aware that the way in which an organisation such as his is listened to by the public and by governments, depends on the methods they use and the quality of their submissions. He will not therefore be immediately rushing to the doors of his old home demanding a seat on the National Economic Development Council. But he will be using his knowledge of the Whitehall machine to make the BIM heard at the right Civil Service and political levels.

He also wants to maintain and improve the service the BIM gives to its 50,000 individual and 13,000 company members, believing that its research, library and other facilities are of a type that managers cannot obtain from other organisations.

But the problem clearly closest to Mr. Close's heart is to improve the public image of managers. "The idea that all British management is bad is quite absurd and a lot of the blame they receive is unfair. They have immense pressures on them and the way they handle this shows there is a lot of good management around," he declares.

"Look at the way managers have learned in the past couple of years to deal with cash flow problems and are now grappling with the problems of investment. At the same time they are coming to grips with participation at work and in recent years have continually had to deal with variations in political and industrial strategies as well as with pressures for social change and international developments, especially as Britain's role abroad has changed.

"Management is about creating wealth and making better use of our resources and that makes management critically important. So the professionalism of management is important nationally as well as in individual companies.

"Managers need to make their views heard to the Government on legislation which affects them because it is they who have to make the legislation work. The BIM also needs to help managers perform better themselves, as well as representing them to Government and others."

Many of these views came through strongly during the BIM's first ever national convention which was held in London's Festival Hall a month ago. There, the frustrations of managers as individuals who felt poorly rewarded, undervalued and somewhat ignored by more potent political and industrial forces came through clearly.

Partly, like other groups ranging from professional engineers to small businesses they were calling for a right to be part of a wider consensus than that achieved by the present Government-TUC-CBI exchanges. But they were also worried about their positions in their own companies, and it is both these problems that Mr. Close will have to deal with during his time at the BIM.

John Elliott

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FRIDAY, APRIL 2, 1976

Sterling and the Budget

The renewed weakness of sterling yesterday—the weighted depreciation against other currencies touched a new low—is a further indication of the doubts which are still widely held abroad about the immediate prospects for the British economy. That such doubts should make themselves felt a few days before the election of a new Prime Minister and the introduction of a new Budget is not, perhaps, altogether surprising. It is the less surprising when one throws into the balance such forecasts as those recently issued by the Cambridge Economic Policy Group and the continuing disruption of output at British Leyland. The former makes out that British industry is so uncompetitive that only a long-term programme of import controls or a further massive devaluation of the exchange rate can provide a politically tolerable way out of our difficulties.

The latter illustrates not only the charge of uncompetitiveness but the fact that our uncompetitiveness is of a kind—that is inability to supply—which import controls alone would be powerless to overcome. From the overseas observer's point of view, the British Leyland situation must seem to symbolise our industrial weakness and the failure of Government intervention to cure it. More than that, it provides an advance illustration of the difficulties to be overcome in introducing the next phase of voluntary wage restraint.

Priorities

It is widely expected that the tax changes to be announced in the Budget will be made in some way contingent on the reaching of a satisfactory understanding with the TUC about the terms of this next phase. But any arrangement which allows for greater flexibility than the present rigid system—and greater flexibility is essential—is inherently likely to contain a larger number of loopholes, and some of the industrial action from which British Leyland is now suffering shows that individual union executives, let alone the TUC General Council, cannot automatically command the adherence of their members to a nationally negotiated package. This alone should make the Chancellor err on the side of caution.

Fortunately, the latest indicators at home as well as abroad suggest that the economy is now moving out of recession and the initial rate of recovery, as stocks are rebuilt, could be quite fast. The main priorities for the Budget must therefore be to help bring inflation down further and to provide the conditions needed for the growth of exports and capital investment in industry.

Cutting back

But the recently published White Paper on Public Expenditure demonstrated clearly that the chief obstacle in the way of such a development is the projected growth of public expenditure, which will absorb far too high a proportion of increased output on the most optimistic assumptions. The Chancellor has concentrated until now on cutting the projected growth of public expenditure and holding it at the 1976-77 level, on the assumption that more drastic action while the economy was in recession would be wrong-headed. But the economy is now moving out of recession, and a public sector borrowing requirement of the present size is no longer appropriate.

Overseas observers are clearly more aware of this than the Left wing of the Labour Party. If sterling is not to fall still further next week, so further increasing the difficulty of holding back wage increases to a tolerable level after the summer, the Chancellor must provide something more than reassuring words—something more, indeed, than conventional defensive action, since a sharp rise in short-term interest rates in the present mood of the exchanges might well have a perverse effect. What he should do, for the good of the economy as well as simply to reassure foreign opinion, is to begin actually cutting public expenditure this year. There is room, in particular, for further curbs on the expenditure of local authorities, especially on unnecessary new housing.

Movement in the two-way street

THE DECISION by the U.S. Army to buy a Belgian machine gun rather than a U.S. competitor is a small thing in itself—the contract is likely to be worth only about $30m. which, in terms of arms deals, is peanuts. Yet it is striking that some domestic U.S. interests were overridden and it is a reminder that some much bigger decisions are coming up. The Army chose the Belgian gun despite the fact that it is more expensive than an American competitor and despite opposition from the State of Maine where the competitor is produced. Will the U.S. be prepared to do the same when it comes to contracts involving vastly greater sums of money?

German tank

The question is important for a number of reasons. Nato could probably save money if there were greater standardisation of equipment: at the very least it could spend it more effectively. It could also become more efficient, standardisation being at present one of the great in-built advantages of the Warsaw Pact. Standardisation, however, cannot be achieved simply by all the members of the Alliance agreeing to buy American. That would be politically unacceptable, and not only to the British and the French: even some of the small members of the Alliance have defence industries which they wish to preserve. It is therefore a question of developing an approach to standardisation which enables the Europeans to participate as manufacturers as well as purchasers.

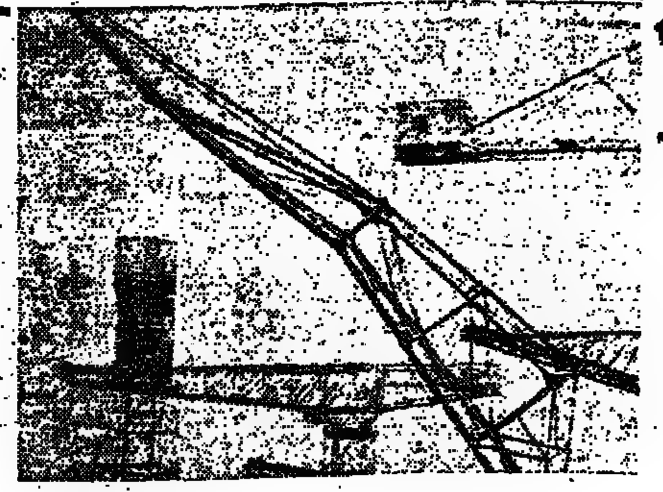
Figures given by the West German MP, Herr Carl Damm, to a sub-committee of the U.S. Senate Armed Services Committee this week indicate how far there is to go towards establishing what has become known as the "two-way street." In the 1960s the U.S. sold $8bn worth of military equipment to Europe and bought only $700m. in return—a ratio of more than ten to one in the U.S. favour. There is no reason to believe the ratio has much improved since, but recently there has been a number of encouraging developments. The problem has at least been recognised. The Defence Ministers of the Eurogroup have spent a good deal of time discussing it both among themselves and with the Americans. There is now also a European Programme Group (EPG) which, unlike the Eurogroup, includes France and which is talking about joint procurement.

It so happens that Nato is also coming up to some major procurement decisions. One concerns AWACS, an airborne early warning system based on equipment carried by a Boeing 707 aircraft. The cost of a single machine could be as much as $65m., and possibly much more. Another concerns the new generation main battle tank where there is a competition between the Germans and the Americans. The early warning system, if it is acquired, probably has to be American because it is the Americans who have developed the technology. The tank does not. The Germans have shown that they can build tanks as well as anyone, and possibly better. It is also the case that even the U.S.-owned tanks would be largely deployed in Europe. Thus a U.S. decision to buy German would contribute both to standardisation and to the two-way street. It would compensate the Europeans for buying the U.S. AWACS.

Mr. Mason

Clearly there are many issues, such as sub-contracts, still to be resolved. It will require a great deal of further work from Defence Ministers who are still suffering from the loss of Dr. Schlesinger at the Pentagon. Mr. Roy Mason, the British Defence Secretary, has played a notable part, especially as last year's chairman of Eurogroup. It would be a pity if he were to move to other things at what is, by any standards, a crucial period.

This week the major shipbuilding nations grappled with the industry's world problems and worked out guidelines for the future. An analysis by **John Wyles**



The long slipway to protection and price-cuttin[g]

THE first signs that the world surplus of shipyard capacity may not, after all, drive industrialised nations into a welter of protectionism and cut-throat competition have emerged from Wednesday's agreement between the major ship-building countries belonging to the Organisation for Economic Co-operation and Development.

Although details of the shipbuilding guidelines endorsed by the 15 OECD member countries have yet to be revealed, the meeting recognised that the world may have as much as 50 per cent. more capacity than it needs; and that governments are sufficiently worried about it to try to act in concert to slim down their industries.

This begs a lot of questions about the ability of governments, not least in Britain, to take unpopular decisions which would have potentially damaging social effects. But the OECD countries, which include most of the EEC, plus Spain, the U.S. and Japan, would prefer an orderly reduction of capacity, if that can be achieved, to a shipbuilding trade war.

In the past 12 months bankers, shipowners and shipbuilders have been trying to spell out the disastrous consequences for international trade and national economies if such a war broke out. Their nightmare is of a round of Government subsidised price-cutting which would launch unwanted ships, leading to a flood of shipowning bankruptcies, banking collapses and, in the process, the elimination of some countries as shipbuilders.

Lowest since the war

While some see this as an exaggerated view of current trends, and it may not be, there is no denying the present "cut throat atmosphere" in world shipbuilding attacked by Mr. Gerald Kaufman, Britain's Minister of State for Industry, on Tuesday. For Britain's shipbuilders the volume of new orders won last year was the lowest since the war. Against the trend of virtually every other manufacturing industry, world shipbuilding prices dropped in 1975 as one country after another — and not only Japan and South Korea which are the most popular Aunt Sallies—preferred to build at a loss to the alternative of slow death by starvation.

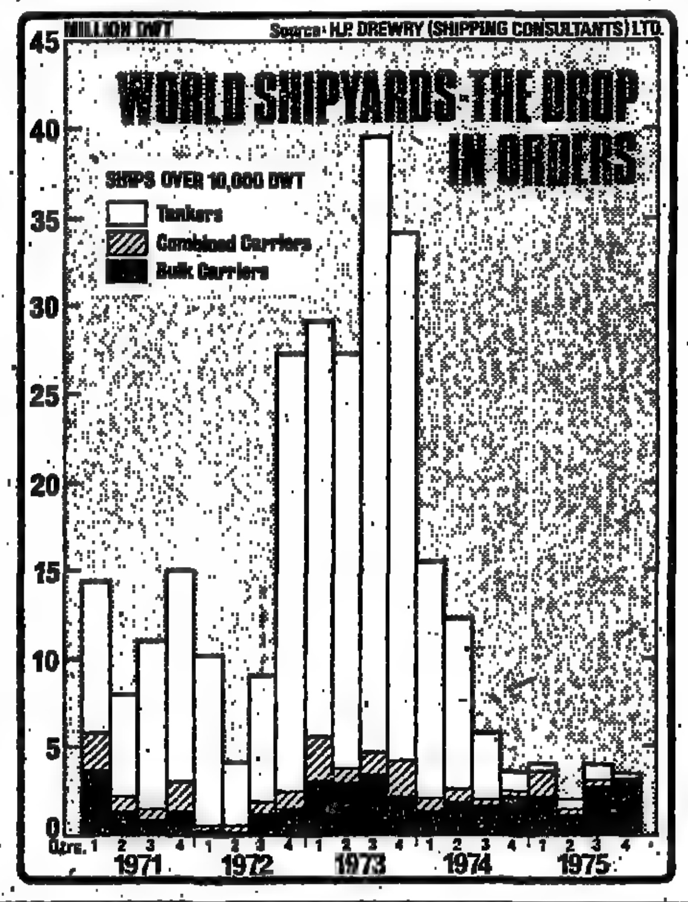
A depressing feature of the situation is that it has scarcely crept up unannounced. In his Tuesday speech Mr. Kaufman referred to a warning of impending overcapacity issued by the British Government in the OECD in 1972. The origins of the crisis stem primarily from individual countries having built new shipyards, and continuing to do so, with little reference to market demands.

The big stimulus to shipyard expansion in the industrialised world came from the rapidly growing market at the beginning of the 1970s for very large oil tankers, combination carriers and bulk carriers. Leading the rush were the Japanese whose output in just ten years has leapt from 6.5m. gross tons in 1966 to nearly 17m. last year. Whether yards were encouraged by shipowners to populate the seas with ever bigger ships, or themselves urged the owners to do so, is a chicken-and-egg argument, but to some extent the two industries became locked in a seemingly suicidal embrace.

Encouraged partly by a hope that world oil consumption would continue its rapid growth, partly by the desire for quick profits, and partly by the sight of everybody else doing it, shipowners inundated the yards with orders for the large ships—129m. tanker deadweight tons in 1973 alone. This would have produced a tonnage surplus and corresponding drop in freight rates without OPEC's oil price rises, but the down-turn in world oil demand has left parts of the tanker industry in dire straits. Tanker owners have queued up seeking agreements with shipyards to cancel their orders with the result that about 75m. dwt has been removed from the world order book since the end of 1974.

At the same time a general shipping recession has depressed freight rates, slashed profits and cut demand for every variety of ship. New building orders placed last year were the lowest since 1964. Allied to the tanker crisis, the effect has been to reduce the world order book by nearly 17 per cent. during 1975.

For many shipbuilding countries, including Britain, the market shrinkage has been greater than these figures imply because of shipbuilding developments in the third world. An increasing number of developing countries have built or enlarged their own shipyards to manufacture a proportion of their growing national fleets over the last five years. Brazil, for example, has a five-year programme for building in its own yards 765 vessels by 1979. Significantly, this includes orders for 25 ships for foreign owners, some contracted at prices which European shipbuilders had no chance of matching. Other developing countries with major shipbuilding projects completed or planned include Venezuela, Iran and India.



Charges of dumping

In these circumstances, an effective OECD agreement to reduce capacity would help cool the price war which has started to develop among its shipbuilding members and is rapidly souring their relations. The division is very much between the Europeans on the one hand and the Japanese on the other. In spite of talks between the Association of West European Shipbuilders and the Shipbuilders Association of Japan, there are few on either side of the argument who believe that the situation can be eased without understandings at government level. Charges against the Japanese of dumping have been difficult to substantiate. But Japanese yards have been reported as quoting around $19m. (£9.5m.) for 60,000 d.w.t. bulk carriers for delivery in 1978 compared with about $25m. (£13m.) in Europe for the same delivery date. Similarly prices for a 30,000 d.w.t. bulk carrier are reported as $14m. (£7.3m.) in Japan and $20m. (£10.4m.) in Europe.

With South Korea depressing prices even further, and only a gentle upturn in the shipbuilding order book likely this year, it is hardly surprising that a bandwagon has started to roll against the *sauve qui peut* attitude prevailing at the moment. Each of the world's major shipbuilding countries, listed in order of size, has very similar problems and some are already committed to cutting capacity.

The Japanese shipyard order book shrank by 13.4m. grt last year and indications are that this rate continued in the first quarter of 1976. If so, the order book which began the year at 34.2m. grt is now about 30.8m. grt. This means the yards will be kept busy for two years at least, providing they adhere to the present work programme, which is to operate at about 80 per cent. of capacity this year and about 65 per cent. in 1977.

While the outlook is considered serious, Japanese shipbuilders are less miserable than they were a year ago. This is because new orders of 8.6m. grt in 1975 were well above original expectations. They exceeded cancellations by 3m. grt.

Ministry of Transport figures give new orders running at an annual rate of 7.57m. grt in January and February (5.8m. tons for export).

The comparative success of Japanese shipbuilders in landing orders appears to be mainly a result of their diversification (enabling them to cut ship prices without necessarily courting bankruptcy), and the good offices of Japan's major trading companies which are able to guarantee cargoes to prospective shipowners and assist them to find the necessary one-third down payment required to qualify for Export-Import Bank support.

Sweden has gone further than most other countries in framing a co-ordinated policy for cutting capacity by around 30 per cent. by the end of 1978 and there is Government support for yards fast running out of orders. This plan has run into strong criticism outside Sweden, which is not a party to the OECD agreement, because it allows Swedish yards to build ships without taking definite orders. Broadly shipyards can borrow from the commercial banking system up to 70 per cent. of a ship's price against a State guarantee.

The aim of the guarantee policy, which runs initially until the end of 1978, is to give the major yards a breathing space to achieve the 30 per cent. cut-back which is expected to reduce direct and indirect employment by around 7,500. The declining Swedish order book, which now stands at 6.5m. grt, has thrown several major yards into financial difficulties and forced the Government to mount a comprehensive rescue operation. A new group, merging Eriksberg and Gotaverken has been formed with the Government taking a 51 per cent. stake, leaving Kockums as the only large yard still in private hands.

United States shipbuilders have been insulated from the worst of the world crisis by a range of financial incentives which ensure a high proportion of orders from American shipowners. Of most significance is the construction differential subsidy which is designed to make building a ship in the U.S. no more expensive than elsewhere in the world. In addition loans of up to 80 per cent. spread over 25 years are available in certain circumstances.

In the U.S. at the end of 1975 there were 77 large merchant ships on order or under construction totalling 7.3m. d.w.t. and with a value of $3.9bn. This represented nearly a 9 per cent. decline on a year earlier.

In Britain, shipbuilding is now the Government's number one industrial problem. The situation facing many yards is critical with workers at Govan expected to be amo[ng] ... to suffer redundan[cy] ... additional orders ... within the next two ... though the Governm[ent] ... fusing formal confir[mation] ... widely thought to ... Govan the go-ahea[d] ... loss-making prices ... capture orders for ... from Kuwait.

Output from Br[itish yards] which employ 80,[000] has remained stati[c at] 1.2m. tons since the war, while their sha[re of world] production has drop[ped] ... per cent. to less tha[n] ... There is virtually ... of British shipbuild[ing to] be nationalised in a ... time, surviving the ... intact. Without ne[w orders] virtually all of t[he] industry will have ... orders by mid-1978; ... ment is looking for ... help from British ... who last year place[d] their orders at hom[e] before.

Co-ordin[ated] entity

In France basic ... strategy is to weld ... building industry i[nto a] co-ordinated entity, ... the largest of ... Chantiers de l'Atlan[tique] earlier this month ... plans to merge wi[th the elec]trical company Als[thom] ... would create a maj[or] ... ing group where, alo[ng the lines] of Japanese practic[e] ... companies are usual[ly part] of a wider industria[l group].

French fleets (1 ... to-day, targeted at ... in 1980) are relativ[ely] ... Only 2 per cent. of ... laid up. The indus[try] ... 24,000 workers and ... off Government or[ders] ... are continuing at a ... level in order to incr[ease] ... shipping in line wit[h the coun]try's foreign trad[e].

West German s[hipbuilding] (seventh in the wo[rld] ... is planning to retren[ch over the] next two to three ... an expected drop o[f] ... the 75,000-strong la[bour force]. The industry is fair[ly] ... supported by the do[mestic] ... owner while in Italy ... the world), the coun[try's] ... grt order book is alm[ost entirely] for Italian owners ... State shipping grou[p] ... responsible for mo[st] ... orders. More than 9[0 per cent.] of Italian shipbuildi[ng is State] owned and much of ... financed by che[ap credit] facilities.

MEN AND MATTERS

Island home and parliament seat

If you don't want to buy Jamaica Inn—which as I mentioned earlier this week is on the market at around £150,000—then how about La Vauroceque on Sark? Admittedly this would set you back something like £45,000 more than the Cornish hostelry, but there are compensations.

For example how many estate agents these days find themselves in the fortunate position of Savills in being able to offer a property which carries with it an automatic parliamentary seat? (Though I hasten to add that the seat is in Sark's own Parliament — the "Chief Pleas" —and has nothing to do with Westminster).

Almost nothing to do with Sark is ordinary, and neither the property itself nor the terms of sale could be considered mundane. As far as terms of sale are concerned the purchaser must be a British subject, and the sale has to be approved by the Seigneur of Sark—who also picks up 13 per cent of the sale price paid.

The island has no income tax, rates, wealth tax, capital gains tax, sales or purchase taxes, or VAT. Neither does it have cars, lorries or planes, and one of the perks which goes with La Vauroceque is two horse-drawn carriages—a closed Brougham with original leather upholstery, and an open Victoria with folding hood.

The property itself is one of only 40 freeholds on the island, and by ancient law these cannot be sub-divided. It is extremely rare for freeholds to change hands at all, and La Vauroceque has the distinction of being the second largest on the island after the Seigneurie itself.

It is also believed to be the oldest building on Sark—or at least the dining room is thought to be the oldest room, while the garden walls are supposed to date back to the Monastery of St. Magloire which was established in 565. The Seigneur's own house is a "modern" innovation—built as recently as the 17th century.

Greig for Europe

Trade associations are familiar bodies among manufacturers, but not so prevalent among importers. Woodwork machinery importers, for instance,

managed without one until 1974. Chairman of that group is Alexander (Zander to his friends) Greig, 50, who started his own importing company relatively late in life, after only a short time in the industry. Now, Greig is due to become president of the corresponding body covering Europe.

The U.K. association takes that as a compliment, not always the lot of wood machinery importers. MPs have raised questions in the Commons lately about the level of such imports. Greig responds by saying that though British manufacturers are good at equipment for frame construction woodwork used in building, foreign firms tend to offer better machinery for stressed skin work on chipboard which is turned into furniture.

Greig himself was an aeronautical engineer by training, only becoming involved in woodwork in 1969 when he began working for a German-owned company. Two and a half years ago, he started his own company, Riverlock, and imports from Germany, Italy and Japan.

The association is required, he says, to protect importers from unscrupulous manufacturers and to try and set common standards for contracts and so forth. Presidency of the European group is bound to add to Greig's travelling, but personal dynamism will still be curtailed at the week-ends as he is a Salvation Army stalwart. He says "business life has to bend" for local services with Berkshire Salvationists.

Fools, fish and cuckoos

What was Chessington Zoo in Surrey doing letting people in free yesterday? Many of those who turned up to find no entrance fee being demanded on April 1 were understandably suspicious. Such unkind thoughts gave way, as a zoo spokesman put it, to "amazement and finally delight and pleasure" when the usual week-day total of between 500 and 800 visitors realised all was genuine.

It was the establishment's pleasant way of getting in on the April Fool act, which normally favours zoos in general as victims. It is a time-honoured leg pull to leave notes asking people to ring C. Lion, L. E. Phant, or G. Raffe (do dream up some of your own but please don't send them in!) and giving them what turns out to be a zoo number.

I suppose it's good to know that in spite of the collapsing pound and other dark happenings, harmless hoaxing flourishes. The scale of the joke inquiries is such that yesterday Chessington Zoo, which last year got 500 such calls, had the Post Office intercepting all messages and asking the nature of the business involved.

London Zoo went further. Its normal number was yesterday linked to an answering machine which pointed out that "on April 1 victims of practical jokes are frequently asked to call us. If your inquiry is genuine and urgent please call your local operator for assistance."

"We get hoax calls throughout the year," added a London Zoo spokesman, "but to-day we couldn't possibly work because of them."

The whole bizarre business of April Fool, common throughout Europe, is probably down to some heathen Celtic festival but there is a curious suitability about zoos being involved. Victims of pranks in France are described as "poissons d'Avril" (April fish), while the Scots call April fools "gowks," or cuckoos.

Dark continent

The "British Airways Announce" advertisement published this week, number 10 in series, carries an item smacking of adventure. "British Airways, in association with Luxair, is offering inclusive holidays this year to Luxembourg, one of the few remaining undiscovered countries of Europe." Which intrepid explorers, I wonder, will find the others?

Observer

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POLITICS TO-DAY: AFTER THE LEADERSHIP ELECTION — BY DAVID WATT

No fundamental shift to the Left

MR. JAMES CALLAGHAN is going to be the next Prime Minister—the consequences of which fact there will be more than enough time to contemplate after next Monday. In the meantime, however, what does the election itself say about the present state and future balance of the Labour Party? A glance at the arithmetic suggests a number of comments, many of them expletive, and prompts one insistent question: How strong is the Left?

At first sight the Left has put up an impressive showing. Many Right-wingers have already been shaking in their shoes at the contemplation of Mr. Michael Foot's 90 votes and Mr. Anthony Wedgwood Benn's 37 votes on the first ballot. They will presumably shake still more before they are done because the reason that Mr. Foot is staying in the race till the bitter end is that he and his supporters wish to demonstrate that the high-water mark of the Left-wing influence in the Party is at least 140 votes.

This is a figure which is going to be used a great deal in the coming months by Left-wing propagandists to show how wide is dissatisfaction with the Government's present economic policies and how criminal it is of Ministers to disregard not only the Conference and the Party activists at the grass roots, but also (horror of horrors!) a massive body of elected opinion. Such claims will, of course, expose the ambiguity (to use a charitable word) of Mr. Foot's campaign: for he is appealing to the Centre as a newly converted moderate, who has loyally supported Cabinet decisions, at the same time as he is appealing to the Left as a man who will produce a radical change of course.

The truth is rather different. Mr. Foot's 140 votes—or whatever he notches up in the final count—need much more discriminating analysis. It is perfectly obvious that the band of professed Foot supporters is a pretty motley alliance. Mr. Russell Kerr is far to the Left and Mr. Eric Heffer is a pillar of the Tribune Group, though of a more Social Democratic brand. But neither Mr. Peter Shore nor Mr. John Silkin are fanatical radicals. Mr. Brian Walden and Mr. John Mackintosh are (admittedly maverick) Right-wingers. The undeclared Foot supporters are no doubt an equally, if not even more, mixed bunch.

Rebels

The hard core of Left-wing sentiment on the Labour back benches can be pretty accurately estimated from the vote against the public expenditure cuts three weeks ago. Of the 37 rebels perhaps 15 were way-out Marxists of one kind or another and the rest more conventional radical Tribunites. The Tribune Group itself claims 80 to 90 (that is, another 50-plus on top of the hard core) of varying shades of radical complexion; but the most accurate indication of its real overall strength was the election last November for the liaison committee between the Parliamentary Party and the Cabinet. The top Left-wing vote (for Mr. Frank Allaun) was 80, while the three best-known Left-wing candidates, Mr. Heffer, Mr. Norman Atkinson and Mr. Ian Mikardo, got 74, 73 and 70 respectively. By comparison, the right-of-centre Manifesto Group swept the board in that election, its top vote being that of Mr. Fred Willey with 110 and its lowest that of Mr. John Tomlinson with 84.

The ballots for the Labour Party leadership have shown that a new standard bearer of the Right is needed to lead the eventual challenge against Mr. Anthony Wedgwood Benn. The choice could be for Mrs. Shirley Williams.

So where have the rest of the Foot-Benn votes come from? Part of the answer, clearly, lies in the votes of Government Ministers who are permitted to vote for the leadership but not for the back-bench committees. Of the 90 Cabinet Ministers, Ministers of State and Parliamentary Secretaries—the body sometimes contemptuously called the "payroll vote"—a fair number have no doubt been sobered by the experience of office into right-of-centre positions, and it is true that, if one is trying to make an estimate of the slant of Party opinion, these prisoners of the machine do not have quite the same freedom as others. Nevertheless, it is worth remembering that they exist

Taking Ministers and backbenchers together, then, what else can be said about support for the Left-wing candidates? Some of it, first of all, is certainly anti-Common Market. Mr. Foot and Mr. Benn are the only dyed-in-the-wool opponents of the EEC on the slate; and while there are a number of anti-Market irreconcilables, such as Mr. Douglas Jay, whose dislike of the Left is at this stage even stronger than their dislike of the Market, there are no doubt a lot of people in the Centre who are still swayed by the deep emotions of the referendum campaign.

Some of the support—a small but interesting part—is tactical. A few renegade Right-wingers appear to have worked out a kind of catastrophe politics. "A combination of the economy and the Scottish problem" they groan, "makes a Conservative victory at the next election inevitable. If Jim has to carry the can for this, Tony Benn will have him out in no time. How much better to let the Left take responsibility for the disaster as well as the harsh measures required to prevent it."

Among other more cerebral calculations there is the support for Mr. Benn of the "modernist brigade" (white hot technology and workers' control) and for Mr. Foot from the traditionalists (old-fashioned Parliamentary sovereignty and no damned Scottish devolution). But far the largest part of the non-Left support for Mr. Foot, which is what really counts, has come from sheer sentiment. Many MPs of the Centre and even of the Right feel a sense of revulsion against the wheeling-dealing of the Wilson era, its weary pragmatism and lack of ideology. To anyone of this frame of mind, Mr. Callaghan seems insufferably like the mixture as before. Mr. Foot may be a bit batty, they say, but he has the Socialist heart of the matter in him.

This kind of thing, naturally, maddens and terrifies a good many on the Right. It is a sign, they say, of the self-indulgence and soft-centred self-deception that is leading the Labour Party inevitably to its doom: after years of watching Mr. Wilson fudge issues, the Party is full of cowards who will do anything for a quiet life and a few cheap ideological kicks on the side. Mr. Callaghan is as dull as ditch-water, they add, if not some kind of Tammany back; but the vote for Mr. Foot is the beginning of the great betrayal.

There is an element of hysteria in this kind of critique, stemming, perhaps, from the feelings aroused by Mr. Roy Jenkins' poor showing in last week's poll. But how much truth is there as well? Let us go over the ground once again:

1. The Left is outnumbered by at least 30 on the Labour back-benches.

2. The Trade Union group of MPs is weighted to the right-of-centre.

3. The "payroll vote" is boxed in by office and even when getting a free run, as in the case of this election, probably breaks less than 50-50 for the Left.

4. The vote for Mr. Foot in so far as it cuts across the above categories is personal and sentimental and largely unrelated to policy. It is a sign of disorientation and possibly of frivolity, but not of a fundamental shift to the Left.

The consequence of all this is that Mr. Callaghan will find himself in a situation which is not radically altered from that of Mr. Wilson. He will not have the authority of office and long experience but on the other hand he will have the asset of a newly endorsed legitimacy. He will be wise to pay the utmost deference to Mr. Foot, to make him Deputy Prime Minister, if you like (though Lord Butler and Lord George-Brown could tell a thing or two about the value of that office), to promote a few of his particular friends. But in Left-Right terms the reality is the old reality. For the time being the Left can seriously influence policy only via the trade unions or by being prepared to bring down the Government.

But what about the longer term? Here, I must admit, the omens are not so clear-cut. But it is important to distinguish between trends which are revealed in the arithmetic of the leadership election and those that are not. Mr. Benn did well—but not as well as all that. At least 10 votes seem to have been siphoned deliberately to him from Mr. Foot in order to bring him above Mr. Healey. He is now set, of course, to inherit the votes of the Left but it cannot be assumed that the factors which have caused Mr. Foot to gain votes of the Centre will work for him in future.

Conclusion

A more significant conclusion from the figures, perhaps, is the failure of Mr. Jenkins, Mr. Healey and Mr. Crosland to make a serious impression, for it implies that each lacks something with which to meet the challenge of Mr. Benn in the next generation. A new standard bearer of the Right is badly required for this purpose and the name of Mrs. Shirley Williams is about the only one that springs to mind. If Mr. Callaghan, Mr. Foot, Mr. Jenkins, Mr. Healey and Mr. Crosland were all removed from the scene to-morrow I fancy Mrs. Williams would beat Mr. Benn as surely as Mr. Callaghan will beat Mr. Foot, and for the same reason.

The big question—and it has nothing to do with the evidence of this week's election—is whether movement to the Left in the constituency parties will change the nature of the electoral college by the time such a contest is really staged.

Letters to the Editor

Import controls and the Budget

From Mr. Wynne Godley.

Sir,—In his article "Import controls and the coming Budget" (April 1) Samuel Brittan commits the serious methodological error of not making clear what "alternative situation" he has in mind, that is, how things would be without import restrictions. Thus he ignores the central contention of the Cambridge Economic Policy Group review that under existing arrangements unemployment is unlikely to be below 1.5m. in 1980; also that an actual policy of devaluation even if possible to implement would generate a renewed acceleration of inflation. In other words the reader is invited to measure the "loss to British citizens" brought about by import controls on the assumption (since these are not mentioned) that unemployment, real national income and output and the rate of inflation can be the same with other policies.

Mr. Brittan very greatly exaggerates the extent to which manufactured imports would have to be restricted to get unemployment below 1m. in 1980. It would not be necessary, on the import control strategy, immediately to cut imports absolutely by much at all let alone £4bn. And over the whole period to 1980 imports of manufactures could be allowed to rise by the amount which exports could pay for, 5 per cent. per annum on our figures.

The estimate of the loss to British citizens (which Mr. Brittan puts at £4bn.) of having to buy British looks like a "consumer surplus" argument. If this is so it should be set out properly together with evidence for supposing that a tariff anything like as high as 200 per cent. would be required.

I would also refer to our figures relating to the full employment deficit. Mr. Brittan should have pointed out that the deficit falls in the manner indicated in the table even if tax rates and allowances are fully indexed with inflation as is made plain in the footnote to our table from which he quotes.

Wynne Godley.

Freedom from constraints

From Mr. P. West.

Sir,—Samuel Brittan's article (March 29) while as usual brilliant in its analysis, seemed to lack greatly when it came to dealing with positive proposals.

That Wynne Godley's suggestions seem entirely short-sighted I take it goes without saying. We must at some stage come to an end of this policy of retreating before the big battalions. And any positive breathing space gained by the acceptance of a union-backed policy of import restriction would surely be lost by the impetus such a success would give to attempts to impose investment policies which, because they tried largely to save jobs in the short term, would almost certainly have the overall effect of slowing productivity growth and the real rise in wages. We would simply be substituting the stupifying mediocrity of the unions in place of civil servants who have largely suffered from the same complaint.

A positive response (which might be called leadership) must contain a proper element of acceptance of the above and work toward freeing the constraints on investment decisions. Also if we do as a nation really believe in the mixed economy we have the mechanisms.

In this particular field the market mechanism rewarding success while penalising failure has always been one that has worked more effectively provided it is given the support it deserves. Even a Labour Government should not be beyond being pressured into action in this field—even if it does look the other way while doing it. So two cheers for Mr. Brittan's brief reference to incentives, but the odd groan that the argument for real incentive to export-orientated investment and profit did not sing out more clearly.

Paul L. West.
Grafton Holdings.
Victoria House,
32, Lower High Street,
Stourbridge.

No hiding place

From Mr. D. Robb

Sir,—It seems a pity that the Cambridge Group should regard long term import controls as the one feasible way out of the cumulative cycle of decline. Although I am sure it is correct in making such a gloomy forecast of our future, surely import controls, by attempting to shield us from the competition of the world, would only serve to hide from us temporarily the full measure of our failure. Our standard of living depends on us maintaining our role as a trading nation throughout the world, not on the erection of trade barriers.

In the long term nothing will disguise the folly of a system which rewards failure higher than it rewards success. In the small manufacturing company in which I work we are concerned at this time of year with fixing wage levels for the coming 12 months. Unsupported as we are by any Government handouts, our survival and the level of wages we pay depends entirely on our trading results. The last two years have been very difficult ones to survive, and not the least of the difficulties has been caused by the erosion of our profit margin by the explosion in wage levels. And yet this runaway increase in wages has been led not by those enterprises which can afford to pay them, but rather by those which would stand no chance of paying the inflated increases were it not for Government support.

The major loss making enterprises in the country now pay a level of wages which is vastly higher than we can afford, and there appears to be no limit to how far this differential will go. It is with disgust rather than incredulity therefore that we read of the present troubles at British Leyland, where the financial predicament of the company apparently has no bearing on the wage levels negotiable by their employees.

No artificial measures such as import controls will in the long term disguise the reality that our cumulative cycle of decline will continue until we cease to subsidise unprofitable enterprises.

D. B. Robb.
The Old Vicarage, Burbage,
Marlborough, Wilts.

Council house sales

From the Leader of the Opposition, Greater London Council

Sir,—The way to strike off the shackles of local authority tenants is not to give them the houses they live in, as Mr. F. Rivers suggests (March 29). Rather they should be given the statutory right to purchase their houses at a price based jointly on the current market valuation and length of tenancy.

To give houses away involves the community at large in forfeiting its own investment—for there has never been a time when rents have covered the whole cost of public housing. Far better, surely, to receive some capital income from sale together with the huge savings on management which could be achieved: both could then be used either to relieve the burden of taxation or to help those in real housing need or, preferably, both.

Horace Cutler.
The County Hall, S.E.1.

Management education

From the Head of the Department of Business Studies, University of Edinburgh.

Sir,—I am moved to reply to Professor Revans (March 22) not in any defensive manner, but because I agree so profoundly with what I believe to be the gravamen of his letter. But I regret the sweeping generalisations and embittered extravagances that it contains. My concern is that the tone and manner of expression of the letter will nullify the good effect that it might otherwise have.

Like Professor Revans, I too believe that one learns more by experience than by listening and reading; that some of what is taught in business schools is of doubtful value and relevance; and that the further removed from the job the learning is done, the less likely it is to be effective.

Where, however, Professor Revans and I must part company is in his apparent assumption that this view is almost unique to himself. In fact he does himself a disservice by failing to recognise how much success he and others of like mind have had in moving management education away from chalk and talk however erudite, towards on-the-job, intra-organisation learning by doing.

For example my own school has consciously and substantially shifted the emphasis of its post experience work away from the provision of management courses for all-comers towards custom built and in-house programmes of management development primarily on-the-job. Similar developments have taken place in other schools which are very much involved with their own geographical regions as well as with the national and international scene.

Perhaps Professor Revans has been out of his own country too long so that he is somewhat out of touch with the contemporary scene in British management education. His return is welcome indeed for his is one of the liveliest minds in the business. For this reason it would be sad if he allowed misconceptions and bitterness to obscure the very important lessons which he is better able than most to teach us.

Norman C. Hunt.
William Robertson Building,
50 George Square,
Edinburgh.

Devaluation and trade

From Mr. T. Simms.

Sir,—All of us I am sure (apart from a minority who have declared it as their wish to see the total collapse of our economy) share the same concern as expressed by Mr. West (March 20) about the continuous devaluation of our currency and its effect on our trading performance. But there is an implication in his letter that governments have some kind of control of the exchange rate. The value of our £ is what the *rest of the world* thinks it should be, based on four main factors — our trading performance (including invisibles), our reserves, the extent of our borrowing, and our prospects. The first three of these are based on facts and only in what the rest of the world thinks of our prospects do we have any scope for influencing world opinion—and even this is strictly limited to the bounds of credibility.

Going back to the point made by Mr. Tether (Lombard—February 25) it does indeed appear that the elasticity of demand of many of the internationally traded goods might be less than generally thought—there is no doubt a "stickiness" factor in this due to buyers' reluctance to switch sources, particularly when they are satisfied with the services they have been getting. This suggests that it is perhaps our whole attitude to marketing which may be suspect—a point well made by Mr. Liss (March 13).

There is a notion reflected in the correspondence triggered off by Mr. Tether that the £ is undervalued. If this is so, then as aptly pointed out by Mr. Natusch (March 24) "There is no law which says that because sterling has been devalued, British goods must be reduced in price on the world market in terms of dollars." If in fact the £ tends to be depressed below its "natural" level in successive devaluations we can defend ourselves against such excessive future devaluation and in a way which foreign customers can scarcely object to, by the simple device of quoting them in a currency other than our own, that is, $s, SDRs, or the importing country's currency. This also has the advantage of protecting exporters against our "home grown" inflation, if they feel in need of such protection when selling goods with long delivery periods.

A feature of the way we run our affairs which is hard to protect ourselves against however, is our tendency to proliferate the mishmash of legislation and other measures which make it harder than ever to identify those of our business operations which are profitable in real terms, and therefore beneficial to our national economy and well-being, and those which are not.

T. E. Simms.
49, Heaton Grove, Bradford 9,
West Yorkshire.

Trade union matters

From the Chairman, Movement for True Industrial Democracy.

Sir,—The Conservative trade union department (March 29) must be very careful that it does not impede the advance and cause of "moderation" in the unions by having its aims and objectives misunderstood. Conservative trade unionists, however, vastly outnumber the extremists and therefore have the right to be as well informed.

We, of course, see the need to provide all the support and ammunition we can for responsible trade unionists in their struggle against disruptive, politically motivated elements. The sound way to do this is by having a source to which trade unionists can turn for information and assistance in their campaigns from a body which can provide them with quick, objective and accurate material, but which does not itself interfere in the individual union's internal affairs and is itself run by trade unionists.

Syd Davies
47, Victoria Street, S.W.1.

To-day's Events

GENERAL

Figures of U.K. official reserves for March issued.

EEC two-day summit meeting ends, Luxembourg.

Mr. Roy Hattersley, Minister of State, Foreign Affairs, speaks at meeting of Bury St. Edmunds Labour Party.

Mr. William Whitelaw, Deputy Leader of Conservative Party, speaks at South Edinburgh Conservative Association annual dinner.

Princess Alexandra presents prizes for Financial Times Clipper Race, Trinity House, E.C.3.

Sir Lindsay Ring, Lord Mayor of London, attends Woolnoth Society banquet, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions.

OFFICIAL STATISTICS

Capital issues and redemption during March.

COMPANY RESULTS

Bowater Corporation (full year). British Printing Corporation (full year).

COMPANY MEETINGS

Abel Morrall, Redditch, 3. Barget (I), Witham, Essex, 10. Campari (extraordinary general meeting), 26, Somerton Road, N.W., 1. Cornercroft, Coventry, 12, and EGM 12.20. Glasgow International Investment Trust, 20, Cannon Street, E.C., 12. Greenfield Milletts, Abercorn Rooms, E.C., 12. Imperial Chemical Industries, Dorchester Hotel, W., 11. Marchwiel, Chester, 11.15. New Equipment, Co. Durham, 10. Northern Foods, Hull, 3. St. Andrew Trust, Edinburgh, 11.30. Wagon Finance Corporation, Sheffield, 12. Webber, 63, Piccadilly, W., 4. Whatlings, Abercorn Rooms, E.C., 12.

OPERA

English National Opera production of Tosca, by Puccini, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet perform The Dream, Apollo, and The Concert, Royal Opera House, W.C.2, 7.30 p.m.

Scottish Ballet dance Paquita, La Fête Etrange, Pas de Quatre, and three dances to Japanese music, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

Robert Bravo gives piano recital of music by Beethoven, Allende, and Mussorgorsky, Purcell Room, S.E.1, 7.30 p.m.

Danièle Arpajou gives piano recital of works by Bach, Fauré, Enesco, Rachmaninov, Debussy, Messiaen, Lully, and Liszt, Wigmore Hall, W.1, 7.30 p.m.

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COMPANY NEWS + COMMENT

APV turns in record £9.19m.: pays more

WITH TURNOVER up from £70.5m. to £98.1m., pre-tax profit of A.P.V. Holdings, specialised processing and heat transfer equipment group, improved from £6.55m. to a record £9.19m. in 1975.

When reporting halfway profit up from £2.97m. to £4.3m. the chairman, Mr. P. W. Seligman, said that although second-half profit was not expected to be up to the level of the first, he believed the full year's results would show a "significant advance."

Stated earnings per 50p share rose from 26.53p to 38.17p for the year. A final dividend of 6.0328p raises the net total from 8.7058p to 9.2905p—the maximum permitted.

Although the order intake reached £103m. (£80m.), this *represents a reduction in volume* when allowance is made for inflation and currency changes, so that workshop loads are generally less than at this time last year.

For the first two months in 1976 orders have continued at last year's annual rate. On the other hand, most operating companies are expecting an improvement later in the year, the directors say. The problem is one of timing, and an upturn in the volume of orders is needed in the next few months if production is to be sufficient to enable a similar result to be attained as last year.

	1975 £000	1974 £000
Turnover	98,100	70,500
Profit before tax*	9,193	6,549
Corporation tax	2,776	1,437
Overseas tax	2,221	1,848
Net profit	4,196	3,264
Minorities	66	157
Extra-ord credits	70	[illegible]
Attributable parent	4,560	3,082
Preference dividends	14	15
Ordinary	1,066	1,017
Retained	3,448	2,050

* Includes share associates £41,000 (£214,000). † Debits.

● comment

APV has held its margins at a steady 9.4 per cent. during the year (against an average of 8½ per cent. in 1974) and, on a 28 per cent. sales increase, pre-tax profits are two-fifths higher. The U.K. pushed up its contribution from 40 per cent. to 43 per cent. of profits, including a very strong performance from the alloy castings companies, and the U.S. roughly maintained its position at 30 per cent. of the total. However, the benefits of the 1973-74 sellers' market, which lie behind the 1975 results, have been pretty well exhausted and although the order intake was 16 per cent. higher in money terms, volume is clearly much lower. After all, capital spending in the U.K. food and *drink industry was cut by probably a quarter last year* and the upturn in the U.S. may not come until mid-summer. A p/e of 6.8 at 268p has taken into account *the possibility of lower profits* this year but a yield of 5.5 per cent. is covered a good four times and net borrowings have fallen from 43 per cent. to 30 per cent. *of shareholders funds.*

INDEX TO COMPANY HIGHLIGHTS

Setback for York Trailer

REFLECTING THE depressed state of the commercial vehicle industry, and redundancy and other costs from the closure of the Corby plant, pre-tax profit of York Trailer Company, road trailers and shipping container manufacturers, fell from £1,303,448 to £661,429 in the year 1975.

Depressed conditions experienced in last year's second half are expected to continue until late 1976, and Mr. F. Davies, chairman, warns—"even at that time it would be unrealistic to forecast better than a gradual improvement in the commercial environment."

Sales for the year were down slightly from £17.89m. to £17.08m. After tax of £366,000 (£697,000) net profits were £295,429 against £606,448.

The net final dividend is 1.075p making a maximum permitted total of 1.745p compared with 1.630p previously.

Although the results were poor viewed against depressed market conditions they "provide considerable encouragement." Mr. Davies says the group gained a larger share of the home market and found new export territories.

There are no current tax liabilities, and insignificant borrowings resulting in a cash position "stronger than ever before." It is evident that despite the interruption of earnings growth over recent years, "we have a situation which must augur well for York in the recovery market ahead."

● comment

After its £20,000 loss in the third quarter on the closure of the Corby plant, York Trailers managed an £83,300 turn round back to profits in the final three months—although this was still some 63 per cent. down on the previous year. Currently, this ten*tative recovery continues but* margins, which were almost halved last year, are not expected to make much headway until this year's second half. The group's turnover fall of only 5 per cent., however, suggests that sales have done well—even allowing for inflation—in relation to the fall by nearly a half last year in national trailer production. Exports have helped (now 48 per cent. of sales) but prospects here are tied closely to the pace of world economic recovery. The £1.3m. Iran contract, meanwhile, has now been fully reflected in the figures. The maximum dividend reduces the cover from around 3½ to 1½ times but the yield on the shares at 28p is 9.9 per cent.

Erith recovers to £0.84m.

TURNOVER OF builders' merchants, Erith and Company, expanded from £12.09m. to £17.26m. in 1975, and pre-tax profit recovered from £713,435 to £839,336, after £420,000, against £376,000, at half way.

	1975 £	1974 £
Turnover	17,259,[illegible]	12,089,[illegible]
Trading profit	1,026,591	841,012
Depreciation	112,334	112,557
Bank interest	56,420	14,205
Pension costs	78,785	16,441
Int. and div received	13,566	27,020
Profit before tax	839,536	741,435
Taxation	420,387	407,326
Exceptional debits	—	8,192
Minority*	—	389
Attributable	408,169	325,449
Dividends	260,279	192,680
Retained	194,870	131,059

Despite pressure on margins and further increases in overheads, profits were up to expectations, the directors state.

They report that sales for the first quarter of 1976 show a continuing upward trend.

Stated earnings per 25p unit for the year increased from 7.21p to 5.63p, and the dividend is lifted from 4.155p to 4.5146p net with a final of 2.8146p.

● comment

Erith's preliminary statement reveals both a slight switch in *trading emphasis and hint of* reference level problems. Profits have risen by 18 per cent. before tax on a 43 per cent. jump in sales, with the latter largely the the result of the group's efforts to conform to reference level requirements by increasing the proportion of low-margin direct deliveries. Volume did rise slightly over the year, particularly at the lighter end of the building materials trade, but there appears to have been little *progress so far in the current* year. Thus, any further growth appears to depend on how close the group now is to its reference levels, and the shares, which at 87p are yielding a couple of points above the sector average at 8.2 per cent. are understandably showing a degree of caution.

Schroders profit and dividend up

NET GROUP attributable profit of Schroders recovered from £1.54m. to £2.66m. in 1975.

The net dividend is raised from 8.7261p to 9.3114p net per £1 share with a final of 6.3114p—the maximum permitted.

Net profit of the banking and insurance subsidiaries was £2.9m., *against* £1.65m., after tax and transfers to inner reserves, provision out of reserves having been made for diminution in value of assets.

Profit of Schroders and the non-banking subsidiaries, after tax, was £286,000 (£290,000), and the share of profit from associates, after tax, was £242,000 (£381,000). Interest on loan capital absorbs £772,000 (£793,000).

Cost of the total dividend will be £609,000 after crediting £28,000 for overspill relief.

An abridged group balance sheet shows total assets of £847m. (£780m.) as follows:—

	1975 £m.	1974 £m.
LIABILITIES.—		
Capital and reserves	32	30
Loan capital	39	16
Deposits*	607	627
Acceptances	168	105
ASSETS.—		
Liquid assets	311	309
Loans and advances	330	321
Acceptances	168	105
Other assets	38	42
Total assets	847	780

* Including inner reserves.

● comment

A strong revival in the U.K. and European capital markets more than offset the depressed U.S. sector to push Schroders' disclosed banking and insurance profits 76 per cent. higher. This lifted overall profits by 73 per cent., despite the 36.5 per cent. drop in associates and the indifferent non-banking side. The weakness of sterling also helped performance: more than half of Schroders' business is in foreign currencies. In this regard, the strength of the Swiss franc was a favourable factor, and coupled with volume growth, contributed to the 18 per cent. rise in loans and advances and the 9¼ per cent. increase in deposits. Reflecting the higher level of business, liquidity fell from 40 per cent. to 37 per cent. of total assets. The market was unmoved by the performance, with the share price unchanged at 345p, yielding 4.2 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Appleyard	2.78	May 12	2.45	4.0	3.68
A. P. V. Holdings	6.03	—	5.65	9.29	8.71
Associated Book	2.39	June 8	2.12	3.27	3.0
Aurora int.	0.88	May 21	0.88	—	3.9
Bifurcated Engineering	1.88	May 21	1.7	2.75	2.57
Clifford's Dairies	3.1	May 29	2.91	3.1	2.91
Erith	2.81	May 21	2.46	4.51	4.18
Expanded Metal	1.49	—	1.44	2.74	2.57
Fothergill and Harvey	3.05†	—	3.05	5.05	5.05
Kenkast	Nil	—	0.67	Nil	0.67
M. P. Kent int.	0.55	May 19	0.5	—	1.71
Linread int.	Nil	—	0.99	—	3.06
London Brick	1.59	July 2	1.16	2.63	1.83
Mitchell Cotts int.	0.66	May 25	0.66	—	3.02
Provincial Insurance	5.82	—	5.15	10.61	[illegible]
Ruberoid	1.18	May 7	1.18	1.53	1.88
Schroders	6.31	—	5.73	9.31	8.73
Second. Broadmount int.	0.27	May 17	0.25	—	0.77
Startrite int.	1	May 21	0.95	—	2.84
Straits Steamship	34(a)	May 29	34	34	34
Warne Wright Rowland	0.99	June 1	0.92	1.97	1.85
York Trailer	1.08	—	1.01	1.75	1.64

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Per cent. gross.

ABP leaps to record £1.72m.

AN UPSURGE in pre-tax profits from £0.97m. to a peak £1.72m. is *reported by* Associated Book Publishers for 1975.

At midway, when reporting an advance from £308,000 to £395,000 the directors said that, despite difficulties, there was "every indication" profits for the year would be higher than for 1974.

Yearly earnings per 20p share are shown to have risen from 7.4p to 17.2p and a final payment of 2.380p lifts the dividend total from 3p to 3.271p net.

	1975 £000	1974 £000
Turnover	18,430	13,881
Share of assoc.	5	3
Depreciation	191	172
Interest	197	98
Special contributions	434	—
Equipment hire	107	115
Pre-tax profit	1,719	971
Tax	875	532
Net profit	844	439
Minorities	274	138
Attributable	690	261
Retained	460	130

● comment

Doubled second-half profits have left Associated Book Publishers' 1975 profits 77 per cent. higher and sent the share price soaring by 13p to 70p yesterday, where the yield is 7.4 per cent. The prospect of further cutbacks in educational spending led the group to close down its U.K. school books side during the year but the effect of this was more than offset by increased activity in both academic and legal books in Canada and the U.K. The latter received a substantial boost in the second half from a new edition of a major legal book "Supreme Court Practices," while the current year should benefit similarly from the publication of another important legal work. Profits growth is expected to be at a much more modest rate in the current year with the recovery from the 1974 setback now completed and fewer new titles in hand but the group should continue to move ahead and the shares may also gain support from the strengthened financial position following last year's £½m. reduction in short-term borrowings to around

£0.5m. by Aurora in first half

PROFITS before tax of Aurora Holdings amounted to £502,000 in the six months ended December 31, 1975, compared with an adjusted £533,000 in the same period of 1974. Turnover was £6.38m. against £6.57m.

The 1974 first half figures have been restated to exclude William Watts Steel Stockholding and Pashley and Trickett, both sold last year, and also for interest on the monies received.

The net interim dividend is again 0.875p—the total for the year ended June 30, 1975, was 3.9p from taxable profits of £1.39m.

The strength of the balance sheet as at June 30 last year has been maintained the directors say.

	6 months 1975 £000	*1974 £000	Year 1974-75 £000
Turnover	6,277	6,371	15,426
Profit	502	533	1,395
Tax	261	277	726
Net profit	241	256	669
Minorities	—	—	3
Extraord. items	—	—	36
Pref. dividends	53	64	116
Attrib. Ordinary	188	192	800

* Adjusted for disposals.

East Sussex Engineering Group became a subsidiary of Aurora on March 30, 1976, when the group's interest amounted to 50.46 per cent. The offer for the balance of the Ordinary remains open.

● comment

On an unadjusted basis, Aurora's interim pre-tax profits are 17 per *cent. lower, and this is before* taking into account interest savings of perhaps £35,000 on last April's rights issue. Assuming that this decline holds over the *year for pre-tax profits of £1.2m.* (£1.39m.), earnings per share (adjusting for the 35 per cent. increase in average equity this year) could be a third lower at 9.5p. This would cover a yield of 10½ per cent. at 58p, down 4p last night, 2.4 times. However, the acquisition of East Sussex Engineering, of which Aurora now has control, should have a marked impact on the group's earnings. According to ESE's profits forecast of £895,000 for 1975, Aurora's aggregate consideration of £3.3m. should be close to net asset value, and pre-tax profits of at least £300,000, net of interest, would add 4.8p, or 50 per cent., to annual earnings per share.

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BRENT RIGHTS

The prospectus is available in relation to Brent Chemicals International's rights to raise £400,000 on the basis of one for two at 20p a share. Acceptance and payment closes May 19.

The group, which earlier this week announced a 54 per cent. increase in pre-tax profits for 1975 of £1.08m., reports gross borrowings at the end of February of £660,000.

The issue is not underwritten.

Confidence at Allied Textiles

Replying to shareholders' questions at the annual meeting of Allied Textiles Companies, chairman Mr. J. E. Lumb said current trading was holding up "very well" in almost every part of the business.

There were no internal reasons for him to be less confident now than in early February at the time *his annual statement was prepared.* The group was in very good shape, he added.

Mr. Lumb said that for some time past the directors had been concerned to re-equip labour-intensive group weaving mills producing fine quality worsted suitings and, after several months' operation of a pilot unit, it had been decided to proceed with an extensive programme of re-equipment to incorporate the latest type of Swiss Sulzer machines.

A simultaneous programme of proving trials had established Rapier-type looms as the most suitable for making Reid and Taylor's "most expensive" twist suitings in Langholm—additional Rapier looms are being installed.

Lloyds Bank 'going well'

The chairman of Lloyds Bank, Sir Eric Faulkner told members at the AGM that he felt the bank was right to get first into the rights issue queue.

He pointed out that the ratio of shareholders' funds to deposits was now one to 11.8 while no competitor had a better ratio than one to 13.1.

Sir Eric said that the total advances commitment at the end of 1974 was £1.9bn. which was 60 per cent. utilised. At the end of 1975 the advance figure was £2.8bn. "which hardly suggests we are not supporting British industry." But utilisation was only 54 per cent., the lowest he had seen.

After the meeting Sir Eric said he had never made forecasts in the past and was not doing so this time but "things are going well so far."

Meeting, Page 25

'Satisfactory' cov for same Mitchel Cotts dividend

ASSESSING THE likely profit of *the Mitchell Cotts Group for the* current year is difficult, says the chairman Mr. J. K. Dick. But on present indications he feels the directors should be justified in at least maintaining the 3.0232p net dividend and still be able to show a satisfactory cover for such.

Outturn for the first half ended *December 31, 1975,* is not substantially different from their expectations, with the profit before interest and tax showing little change at £4.01m., against £4.14m. *Mr. Dick explains* that losses had to be absorbed in Canada and Belgium but these were offset by better results elsewhere, particularly in South Africa.

After interest and taking in associates share, profit before tax fell from £3.1m. to £2.79m. The chairman points out, however, that half year figures do not provide a reliable guide to the likely total for the year.

An unchanged interim dividend of 0.65625p is declared.

	Half-year 1975 £000	1974 £000	Year 1974-75 £000
Turnover	107,597	110,100	237,776
Interest paid	1,463	1,206	2,505
Associates	222	182	328
Profit before tax	2,786	3,099	8,030
Taxation	*1,562	1,096	3,919
Outside holders	371	290	1,118
Attributable	533	1,113	2,963

* Based on effective rates applicable to overseas profits and on U.K. profits at an effective annual rate of 32 per cent. (same) after allowing for DTR.

Principal activities of the group are in engineering, agriculture, transport, shipping and storage, vehicle distribution, and commodity trading.

Statement Page 23
See Lex

50 per cent. formerl Paktank BV of Rotte

Thermal well ahead

The chairman of Thermal Syndicate, Sir John Pagel, told the annual meeting that the group had been able *to respond to an increase* in demand from most sectors and all companies were trading profitably "well ahead" of the position this time last year.

While there was still spare capacity in some sectors, the Board was looking forward to increasing production potential in line with long term demands *backed by added expenditure on* research and development.

UNITANK

Paktank Storage has changed its name with immediate effect to Unitank Storage. It has been a wholly owned subsidiary of United Molasses, part of the Tate and Lyle group, since the purchase in December 1975 of the

Profit advance for WG

MR. F. P. S. STAMM man, told the extra-ord ing of WGI that, from indications, there was that current-year pr exceed the £964,0 *achieved last year.*

Mr. Stammers recal February 18 he infor holders that Trafalgar its subsidaries had *holding in WGI of 21.* and that the directors ing to ascertain the i Trafalgar. In the m said yesterday, that become 22.08 per cent as they were aware, n had been made since "We have no further of the intentions o *House at this stage,"*

The chairman re since the acquisition Wright its activities firmed expectation *potential.*

The meeting approv increase from £1, £1,655,000 by creation tional 2m. Ordinary s

British Vi progress

IN HIS ANNUAL st chairman of British pany, Mr. N. Grim *members that with th* ing of home based o as to more nearly and support overall a group is now "well *continue its onward*

There are, indi another year of growth overseas, albe *rate of 1975, bearing volatility of operatin* states.

As reported on Mar profits expanded fro £2.32m. in 1975 inclu *(£1.24m.)* from ass dividend is 3.48p (3.

A statement of application of fund increase in cash and b of *£177,000 (£56,0* decrease in overdraft ance credits of £1.79m

The accounts £17,000 was paid to f tive directors in com loss of office.

Saab set new standards of sophistication and performance.

NEW 99GLE

New 99 GLE. Classical elegance, exceptional comfort, total sophistication.

Everything you'd expect and little things you may not-heated front seats, ready-mounted stereo speakers, electrically adjustable wing mirrors.

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Blagden & Noakes current year improvement

OVERALL GROUP profitability of Blagden and Noakes (Holdings) is well ahead in the first two months of the current year, and the liquid position remains "very strong," says the chairman, Mr. J. K. Noakes.

At end 1975 group net current assets of £5.8m. (£5m.), included short term deposits £1.42m. (£0.52m.) and bank balances £0.17m. (£0.48m.). Overdrafts were down from £0.51m. to £0.33m.

A good year is expected in steel drums, plastics engineering mouldings and protective equipment.

Plastics packaging should be better than last year but prices are still too low. As this unrealistic level has resulted in several plastic drum companies quitting the business, it is reasonable to expect the position to right itself eventually. "When it does we are well placed to benefit," says Mr. Noakes.

Cooperage activity seems likely to remain very depressed this year but rationalisation measures should enable losses to be minimised. Demand will recover eventually and the mechanised line "will then come into its own."

In chemicals little improvement is expected until the latter part of the year but in this activity an upturn can be very rapid when it comes, the chairman adds.

As known group profit for 1975 was better than forecast at £2.42m., compared with £3.12m. for 1974, and the net dividend is 5.48p (5.136p).

Meeting Connaught Rooms, W.C., April 23, noon.

SAMUEL PROPS.

Joseph Sebag announces on behalf of Samuel Properties that, since the last announcement regarding the 7½ per cent. 1st Mortgage Debenture Stock 1995/2000 in December, they have purchased a further £295,000 nominal for cancellation, leaving £620,250 outstanding. This is in line with the policy of purchasing stock for cancellation provided the redemption yield approximates the cost of short-term borrowings.

Provincial Insurance £0.6m. loss

AFTER an underwriting loss of £3.41m. against a £1.02m. profit previously, Provincial Insurance incurred a pre-tax deficit of £618,000 for 1975 compared with a £3.28m. profit in 1974.

The loss per 25p share is 14.94p (29.4p earnings) and the net final dividend is 5.8208p making a total of 10.6105p against 9.9427p.

After tax and minorities totalling £629,000 (£1.33m.) the attributable loss is £1.25m. against a profit of £1.95m.

There is a transfer to marine and aviation fund of £100,000 (£150,000) leaving a deficit of £1.35m. (£1.8m. profit).

The overall underwriting loss reflects in th emain, the extremely difficult conditions in the U.K., stemming mainly from inflation, the directors say. While home results are "very disappointing," action was taken to correct the adverse trend, but the major part of the benefits will only come through in the succeeding year.

The group has participated fully in the recoveries in the stock markets, and its strong asset position is confirmed by capital reserves and investment surplus estimated at December 31, 1975 to be £29.0m. (£19.7m.).

Total reserves provide a solvency margin, expressed in terms of ratio of reserves to non-life premiums of 66.9 per cent. (52.9 per cent.). Investment income after interest paid increased by 23.2 per cent.

Life production showed a significant increase in the last six months and it is anticipated that new business will continue to expand in 1976.

Bifurcated down by £0.23m.

THE SUBSTANTIALLY lower *profit forecast* by Bifurcated Engineering turns out to be £838,000, compared with £864,000, for 1975, after a first half reduction from £380,000 to £310,000.

Stated earnings per 25p share for the year were down from 6.86p to 4.68p. A final dividend of 1.875p raises the net total from 2.5725p to 2.75p.

Demand remained depressed until November, but has since improved to a more satisfactory degree, the directors report.

Consequently, results for the first quarter of 1976 are encouraging, and earnings for the current year "should prove satisfactory if the present trends continue," they add.

	1975 £000	1974 £000
Turnover	8,223	8,131
Depreciation	333	343
Interest	184	183
Redundancy pay	130	—
Lng. srvce leave prvn.	—	60
Pre-tax profit	838	864
Taxation	345	434
Extraordinary debits	10	*8
Retained	111	277

* Credit.

ASSOCIATES DEAL

Rowe Rudd bought on behalf of an associate of Amalgamated Industrials, 50,000 Amalgamated at 11p.

Britanni Assurar growth

ASSETS OF Britannic at end 1975 exceeded the first time. Prem of the life branches r per cent. and investm by 15.77 per cent. in

The chairman, Mr. son, says these increa *would have been cons* factory "but they hav pletely overshadowed surge in expenses"— per cent.

Combined funds branch increased b £294m. During 1975 was available for in the funds—£4m. was British Government £4.5m. in other fi stocks, £11.9m. in O £1.8m. in property.

During the year £ vanced under the ho scheme.

Mr. Jefferson stress dividend increases, a to a rate less than l in the rate of inflat limitation ceases to be and becomes a fina on long-term funds w continued, will be bo policyholders' bonuse

Gross rate of intere the life funds was 9 against 8.69 per cent

The directors are make an additional of £4m. to the pension over the next ten ye

As reported on M *net total dividend is* permitted 7.47p (7p). carried forward in t profit and loss acco £85,909 to £1.06m.

Chairman's stateme

Tavener Rutledge peak sale

The annual r Tavener Rutledge sugar confectionery *that exports for th* accounting periods stantially ahead of period last year.

Sales in the home also ahead and, bar seen circumstances, should have no achieving record sale *chairman said.*

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P.E. Ratio
[illegible]	F.P.	—	£23	£22½	Berry Pacific Fd. US$1	£22½	—	40c	—	5.5	—
$10,600	F.P.	—	$10,600	$1060u	Brasilvest S.A.	$10,600	—	—	—	—	—
87	F.P.	2/4	85	82½	Electra Inv. Tst.	83½	+½	b3.9	1.1	6.7	31.4
—	F.P.	—	£14⅝	£14⅛	I.C. Inds.	£14⅝	—	$1.50	—	4.6	—
10	F.P.	30/7	20	158	LASMO 'OPS' Units 10p	165	—	—	—	—	—
10	F.P.	30/7	205	158	SCOT 'OPS' Units 10p	165	—	—	—	—	—
—	F.P.	—	£28⅝	£21⅞	Tenneco [illegible]	£28¼	+¼	Q$1.76	—	3.0	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100¼	99⅝	Agricultural Mort. 10⅝% Bds. 1977	100	......
£100	F.P.	—	100	99¾	Do. Do. 10⅝% Bonds 1977	99¾	......
‡£100	F.P.	7/4	104	[illegible]	Arbuthnot Lath. 9% Conv. Uns. 1986	101	......
C$100	F.P.	—	100	100	Banque Canadienne Nat. 9½% Deb. 1982	C$100	......
US$100	F.P.	—	$100	$100	Barclays Bk Intl. 9⅞% Cap. Notes 1985	$100	......
£100	F.P.	23/4	101	99½	External Inv. Trust Convertible Ln. 1992-7	100	......
£96.6	£10	—	9¾	[illegible]	GLC 12⅜% 1983	9¾	......
‡£11	Nil	9/6	5½	½	Greatermans Cum. Ptg. Pref.	½pm	......
**£99¾	£10	28/5	10⅞	10¾	Hartlepools Water 8% Red. Pref. 1981	10¾	......
[illegible]	£50	30/7	42½	26	LASMO 14% Uns. Loan 81-86	27½	......
C$100	F.P.	—	$100⅜	[illegible]	Manitoba 8½% Deb. 1983	$99¾	......
[illegible]	F.P.	—	101	[illegible]	Midland Bk. Float.Ln. Notes 1986	$101	......
**£99¾	F.P.	15/6	100	99¼	Mid-Sussex Water 8% Red Prf. 1981	99¾	......
$100½	F.P.	—	101½	[illegible]	Norway 8½% Notes 1981	101½	......
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9¼ Deb. 1981	$99½	......
£100	£50	30/7	32½	26	SCOT 14% Uns. Loan 81-88	27½	......
‡£100	£50	8/7	74	60	Scot. Met. 9% Conv. '92/6	67	......
$100	F.P.	—	102½	99½	Seagram Property 9% Notes 1985	$102¼	......
**£99.910	£10	14/5	10⅞	10¼	Sutton Dist. Water 8% Prf. 1981	10⅝	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
60	F.P.	—	15/4	79	71	Allen (E.) Balfour	76	−1
120	F.P.	2/5	7/5	161	135½	Blackwood Hodge	144	......
28	F.P.	15/5	12/4	40	34	Braham Millar	40	+4
75	F.P.	—	25/4	105	85	Carpets Intn.	99	......
55	F.P.	2/4	30/4	66½	60½	Cement Roadstone	65½	......
29	F.P.	16/5	10/4	35½	32½	Conventric	33	+½
10	F.P.	30/3	13/4	130½	117	Coral (J.)	117	−1
21	F.P.	26/3	9/4	25	24	Crown House	24	−1
190	Nil	9/4	21/5	46	24	De La Rue	46pm	+2
30	F.P.	26/3	30/4	42	38	Dennis (J.H.)	40	......
30	Nil	—	11/5	58	56	Dew (G.)	56pm	−1
50	Nil	5/4	14/5	5	4	Diploma Invs.	4½pm	−¼
325	F.P.	9/4	7/5	365	331	Fisons	369	+14
115	Nil	9/4	7/5	30	25½	Gill & Duffus	27pm	−1
51	F.P.	12/3	9/4	44	38	H.A.T. Group	44	......
95	F.P.	26/3	30/4	97	88	Hoffnung (S.)	95	−1
44	F.P.	26/3	30/4	59	55½	Imperial Metal Inds.	57½	......
16	F.P.	4/3	9/4	23¾	22	Jackson J. & H. B.	22½	......
55	Nil	14/4	12/5	7½	5	Jacob (W. & R.)	7½pm	......
57	F.P.	[illegible]	[illegible]	72	62	LCP Holdings	71	......
56	Nil	9/4	7/5	18	9½	Letraset Intnl.	16½pm	+½
57	F.P.	[illegible]	20/7	70	64	Lloyd (F.H.)	68	......
210	F.P.	17/3	23/4	245	210	Lloyds Bank	218	−2
54	F.P.	18/3	2/4	76½	67½	Meyer (Mont. L.)	74	......
19	F.P.	16/3	26/4	23½	21	Mitchell Somers	22	−¼
55	F.P.	14/3	2/4	69	66	Mixconcrete	68	+2
70	Nil	—	—	25	19	Parker Timber	25pm	+2
15	Nil	9/4	14/5	4½	2	Raine Engineering	2½pm	......
38	Nil	16/4	28/5	15	10	Staflex Int.	12½pm	......
365	F.P.	22/3	23/4	407	362	Standard Chartered	384	−4
64	F.P.	24/2	25/6	100	82½	Stenhouse Hldgs.	99	......
80	F.P.	2/4	30/4	95	88	Tavener Rutledge	95	......
42	F.P.	12/3	2/4	52	40½	Tecalemit	46	......
11	F.P.	6/2	2/4	14	11½	Tomkins (F.H.)	11½	......
42	F.P.	17/3	14/4	64	57	Triplex Foundries	60	......
130	F.P.	15/3	11/6	157	140	Turner & Newall	153	−1
46	F.P.	18/3	12/5	50½	47	Ward (T. W.)	49½	......
8	F.P.	19/3	20/4	14	12	Wheway-Watson	13	......
105	F.P.	27/2	9/4	138	125	Wolseley-Hughes	136	......
70c	F.P.	—	—	81	63	Woodside-Burmah	63	......
70	Nil	13/4	14/5	8½	6½	Youghal Carpets	7½pm	−½

Renunciation date usually last day for dealing free of stamp duty. *f* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital; cover based on dividend on full capital. *p*** Pence unless otherwise indicated. *u* Forecast dividend; cover based on previous year's earnings. *M* Figures based on prospectus or other official estimate for 1976. *t* Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ** 290 S.Afr. cents. § Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. †† Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡‡ Allotment letters (or fully-paid). ‡ Provisional or partly-paid allotment letters. § With warrants.

Expanded Metal second half upturn

DESPITE the low level of business activity in the early part of 1975—reflected in a fall of 9.7 per cent. in first half taxable profits—the Expanded Metal group more than made up lost ground with record profits for a six-month period of £1.4m., against £1.23m. for the second half, to push up the year's total from £2,458,000 to £2,511,000.

Earnings for the year per 25p Ordinary share are shown at 7.73p against 7.82p. The net dividend total is lifted from 2.5675p to 2.739925p with a maximum *permitted final of 1.489925p.*

The directors report that all sections were profitable with particularly good results obtained from building products and export sales. The traffic sign company Bergo produced record profits after completing some notable motorway contracts.

Several new developments are being pursued at home and overseas. The American subsidiary has been restructured and relocated and will start local production shortly, and additional overseas investment is planned. At home the sales force is being increased and "substantial" investment *in new machinery being* made.

On prospects the directors say the group is well equipped to increase its share of the home market and extension of overseas activities is reaching fruition. The current year started with a strong balance sheet and "great confidence" in the group's future.

	1975 £000	1974 £000
Net sales	17,297	16,892
Net profit	1,151	1,150
Group profit	2,512	2,458
Ordinary dividend	418	392

Year-end net assets are shown at £8.9m. compared with £8.1m., equal to 54.22p against 49.13p per Ordinary share.

● comment

After the first half profits downturn, Expanded Metals made a good recovery particularly in the last two months to leave overall profits and turnover slightly higher. This, however, would incorporate a *significant* fall in volume sales attributable largely to the first half when customer destocking seemed at its worst. Currently the recovery in demand continues and stocks and work in progress, which were lower at the end of the year after last year's adjustments to market conditions, are being built up again ahead of the price increases. Turnover, then, is expected to increase next year although the traffic sign company does seem vulnerable this year to public spending cuts. Meanwhile, the group has started the year with a positive cash position while the yield is 5.3 per cent., covered 28 times, with the shares at 80p.

Statement Page 20

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available, whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims — British Debt Services, Courtney Pope, London Scottish Finance.

Finals—Bowater, Breedon and Cloud Hill Lime Works, British Printing, Charles Clifford Industries, Charles Early and Marriott (Witney), Elys (Wimbledon), Louis C. Edwards (Manchester), H. and J. Hill, Transatlantic Market Trust.

FUTURE DATES

Interims—

Wade Potteries	Apr. 12

Finals—

Allied Plant	Apr. 13
B.S.C. International	Apr. 28
Bodycote International	Apr. 28
British Rollmakers	Apr. 8
Brocks Group	Apr. 12
Bunzl Pulp and Paper	May 11
Cohen Bros. (Electrical)	Apr. 12
Gibbs (Antony)	Apr. 5
Henriques (Arthur)	Apr. 9
Lafarge Organisation	Apr. 20
Laing (John)	Apr. 28
Provident Life Association of London	Apr. 12
Silhouette (London)	Apr. 23
Telephone Rentals	Apr. 28

M. P. Kent mid-term setback

INCLUDING RENTS received of £271,000 against £144,000, and after interest written off of £654,000 compared with £591,000, pre-tax profits of M. P. Kent slumped from £1,114,000 to £502,000 for the six months to December 31, 1975. Turnover fell from £8.76m. to £4.69m.

The net interim dividend is increased from 0.5p to 0.55p. Last year's total was 1,700p from profits of £1.71m.

After tax for the halfyear of £262,000 (£579,000) the net balance emerges £295,000 behind at £240,000. The company operates as residential and commercial property developers.

Midway drop at Bridport Gundry

Turnover for the six months to January 31, 1976, of netting and cordage manufacturers Bridport-Gundry (Holdings) slipped from £3.32m. to £3.03m. and pre-tax profits fell from £196,021 to £76,987.

The directors expect second-half profits to be greater than the first. Associated companies are expected to make a much lower contribution to group results this year, members are told. The group's cash position remains "satisfactory."

The interim dividend is raised from 0.554p to 0.6p net. Last year's total was 1.0336p paid from pre-tax profits of £723,279.

The English companies contributed £168,172 (£226,123) to profits which was reduced by losses of £63,596 (£20,021) in the Vancouver subsidiary, Gundry Bilmac, and by £27,667 (£9,128) in Bridport-Gundry (Scotland). As usual, no account is taken of the contribution from *associated companies* at the half-year. Turnover included £317,022 (£628,091) from Gundry Bilmac.

The English companies performed well in a climate of recession for the textile and fishing industries, states the chairman, Mr. R. W. Holder and second half profitability is expected to be *greater than that of the first.*

In Scotland, the loss-making Aberdeen factory has been closed and activities concentrated in Peterhead. In Vancouver, strikes and recession in the timber, mining and marine industries combined to cause "very difficult trading conditions."

The goodwill of Gundry Bilmac has been sold for $Can.100,000 and its stocks and other equipment have been sold at valuation to a purchaser who is leasing the warehouse for two years with an option to buy the freehold.

The transaction is expected to *realise some $C300,000, together* with a further sum if the freehold property is sold. The sale will take effect from May 1, 1976.

The Unsecured Loan Stock of £140,000 was repaid on December 31, 1975.

Startrite looks to second half

A SHORTFALL in pre-tax profits forecast by Mr. W. R. Bruce, chairman of Startrite Engineering Group, has materialised. For the six months to December 31, 1975, they are down £57,000 to £115,700.

However, the directors report that there has recently been a "considerable" increase in export demand and the second half should show a "significant *improvement.*"

The net interim dividend is stepped up from 0.946p to 1p at a cost of £15,000 (£14,190). Last year from profits of £374,854 the total payment was 2.8375p.

After tax for the half-year of £65,600 (£93,900) the net profit comes through at £50,100 against £78,000.

The directors say the liquid position remains strong and they are proceeding with investment plans which should put the group in a good position, both with regard to production and productivity, when the up-turn now being experienced gathers strength.

The company manufacturers and distributes machinery for the wood, plastic and metalwork industries.

Straits Steamship growth

On sales up from $Singapore 72.67m. to $80.1m., taxable profit of Straits Steamship Company advanced from £10.08m. to $12.08m. in 1975.

Net profit rose to $9.93m. ($7.3m.) and the balance attributable to holders, before extra-ordinary items, was $9.1m. ($6.73m.). After extra-ordinary items the attributable total came out at $11.23m. ($6.31m.).

The dividend is maintained at 34 per cent. gross. The company is 60 per cent. owned by Ocean Transport and Trading.

YORKSHIRE CHEMICALS

Yorkshire Chemicals has been informed by the Treasury that the final dividend declared on March 26 exceeds the permitted maximum. Accordingly the final will be 7.7194 per cent. and not 7.86 per cent. as previously announced.

BSR chairman hopeful about 1976 demand

Demand for industrial products is somewhat better than anticipated and it is hoped that this trend will improve throughout 1976, states Mr. J. N. Ferguson, chairman of BSR, in his annual review.

But he warns that as stocks of finished products have been rising over the past few months it may become necessary to reappraise current output levels for certain products.

As reported fully on March 10, pre-tax profit for the year to December 27, 1975 decreased from £13.53m. to £9.43m. The dividend is up from 2.14473p to 2.2887p net.

The U.K. accounted for 14 per cent. (48 per cent.) of profits in the sound reproduction division, with North and South America's share 63 per cent. (39 per cent.), Australasia 2 per cent. (4 per cent.), European Continent 19 per cent. (9 per cent.) and Asia 2 per cent. (nil).

Mr. Ferguson explains that measures taken at the beginning of 1975 to improve liquidity were most effective but did not impair the company's ability to respond immediately to the increase in second half demand. A statement of source and application of funds shows a £1.96m. reduction in borrowings (£4.27m. increase).

The accounts show that £0.75m. was spent on redundancy payments and closure costs.

Meeting, Savoy Hotel, W.C., April 23, 11 a.m.

London Brick recovers—paying 2.63p

WITH SECOND HALF profits coming in at £4.7m., the London Brick Company has produced £9.70m. for 1975. This means more than a full recovery on the £8.93m. achieved in 1973.

In 1974, profits fell to £2.67m. and the dividend was cut from 2.5p to 1.83p net per 25p share. Now the Treasury has recognised the recovery situation and is permitting the company to pay a maximum of 2.627p for 1975. The final is 1.59835p.

Sales advanced £21.87m. to £66.96m., and trading profit was £11.96m., against £4.53m. Net profit rose from £796,000 to £4.61m.

	1975 £000	1974 £000
Turnover	66,964	45,095
Trading profit	11,962	4,530
Depreciation	1,549	1,460
Loan stock interest	930	654
Investment income	308	254
Profit before tax	9,791	2,670
Taxation	*5,166	1,537
Extraordinary charges	—	377
Net profit	4,605	796
Preference div.	22	22
Ordinary	1,537	1,069
To reserves	3,046	†295

* After adjustments £104,000 (debit £92,000). † Transferred from.

See Lex

Fothergill & Harvey downturn

AS EXPECTED, pre-tax profits of Fothergill and Harvey, at £719,742 for the year ended January 3, 1976, are lower than the record £806,045 achieved in the previous year. Stated earnings per 25p share are 7.01p against 8.93p.

Profits for the first six months were down from £540,000 to £407,000 and the directors said then there were still no signs of a change for the better in the general economic situation.

The net final dividend is the forecast unchanged 3.0555p making a same-again total of 5.0555p on capital increased by last May's rights issue.

Extraordinary items of £91,238 (nil) for the year comprise £80,608 written off fixed assets; £32,200 written off cost of shares in subsidiaries and £10,550 profit on the sale of an unquoted investment.

	1975-76 £	1974-75 £
Turnover	8,143,578	9,017,617
Trading profit	973,800	1,079,039
Depreciation	156,112	147,153
Interest payable	97,946	125,842
Profit before tax	719,742	806,045
Tax	381,515	417,447
Net profit	338,227	388,598
Extraordinary debits*	91,238	—
Available	338,227	388,598
Dividends	278,823	207,162
Retained	81,404	181,436

* Transferred to revenue reserves.

The group trades as manufacturers of fluorocarbon products, fibre reinforced composites and industrial synthetic textiles.

Over £1.1m. by Warne Wright

GROUP PROFIT, before tax, of Warne Wright and Rowland increased from £879,297 to £1,111,595 in 1975, after an advance from £399,000 to £477,000 at halfway.

A final dividend of 0.9866p lifts the net total from 1.849p to 1.9732p.

The year's profit is struck after interest charges of £66,438 (£67,376). Tax takes £591,093 (£491,813), and £375,360 (£250,491) is retained.

The business is that of fastener manufacturers, drop forgers and engineers.

Solicitors' Law on margins

Mr. R. A. Hodges, chairman of *Solicitors' Law Stationery Society*, attacks margin restrictions imposed by the Government, in his annual report.

He says that under the present sustained economic pressures, he cannot see any major expansion for the group equivalent to that achieved in 1972, other than by acquisitions. This situation is due, in part, to the depressed business climate but also to the margin restrictions.

It is "particularly discouraging" that expansion abroad should be inhibited by not allowing either financial costs or initial trading losses to be taken into account for margin control purposes. This means that costs and losses have to be met out of profits in the U.K. *already severely restricted* by controls.

Until these factors are resolved, the actions taken during 1975 will ensure steady progress and the Board will continually seek to acquire and introduce new products and services into new markets.

As already known pre-tax profit for 1975 expanded from £1.26m. to £1.34m. and the dividend is stepped up from 3.2428p to 3.4652p net per 20p share.

Thomson Organisation holds 42 per cent. of the Ordinary capital and Woodridge Company 11.6 per cent. *Meeting*, Howard Hotel, W.C., on April 28 at noon.

Chairman's Statement Page 23

Carrington Viyella

Sales of the Carrington Viyella Group in the first three months of 1976 had continued at the higher levels achieved during the last four months of 1975, the annual meeting was told by chairman, Mr. L. Regan.

He added that the whole trading climate was uncertain and it was *impossible to forecast* whether the present level of activity could be sustained or improved. At present, however, the group had very few areas of short time working.

He also informed the meeting that Carrington Viyella was achieving greater success in the export markets and that export sales had shown "a material improvement."

Ruberoid tops £0.7m. in second half

THE PROFIT expected by Ruberoid for 1975 turns out to be £430,736, following a loss of £331,000 in the first half. The final dividend is held at 1.18p for a net total of 1.53p per 25p share.

For 1974, profit came to £505,991 and the dividend was 1.88p.

Second half 1975 profits were £761,000 but chairman Mr. Thomas Kenny says he would not support any conclusion that the group is running at an annual rate of £1.52m. Generally, the second six months are better than the first.

Earnings for 1975 are shown at 4.15p (4.95p) before tax and at 2.05p (2.21p) after tax.

Contracting loss was £169,000 including estimates for future losses on contracts nearing completion. Unusual expenditures of £143,000 have been charged in implementing decentralisation plans and long-term economies.

	1975 £	1974 £
Turnover	24,882,921	20,023,312
Profit before tax	430,736	505,991
Taxation	211,064	273,392
Minorities	1,215	1,259
Net profit	218,457	231,340
Extra-ord. charges	13,853	—
Attributable	204,604	225,440
Dividend	139,633	191,004
Retained	48,171	34,446
Net assets	8,840,025	8,385,715

Value of profits not yet taken to credit on contracts-in-progress has been increased by £84,000 to £636,000 at the year-end.

On the outlook, Mr. Kenny says the contracts company is experiencing a lower level of inquiries, but it is not intended to compete at prices well below what is considered economically justifiable. "When the construction industry improves we shall have a trimmed *and efficient organisation to yield* profit."

The company has learned to live profitably in this recession. The first two months are not an infallible barometer for the rest of the year; if they were "our results for 1976 would be encouraging."

The new glass tissue project should start production this autumn so the profit contribution this year will not be significant. Cost of the machine, ancillary services and building work will be some £730,000, and Ruberoid will be paid a non-returnable interest relief grant of not less than £67,500 under the Industry Act.

Marketing and production procedures at Ruberoid Building Products are being reviewed to achieve better results "from a product that is full of potential." At Ruberoid Paper some £350,000 was spent on improving the plant and so far "this appears to have been justified."

To provide for redemption in December of the outstanding £415,000 debenture stock and to finance the glass tissue project a secured loan of £1m. has been negotiated at 13¾ per cent. repayable in ten equal instalments starting in 1981.

Cash balances at the year end were £766,000 as against £489,000 twelve months earlier. These funds will be required to finance the expected upturn in trade and the demands of inflation. In addition, there are adequate bank facilities if needed.

Appleyard second half upsurge

AGAINST A background of low level sales of British made cars and increased costs, pre-tax profit of The Appleyard Group of Companies advanced from £879,016 to £991,179 in 1975, after £505,026, against £522,473, at halfway.

	1975 £	1974 £
Turnover	66,691,686	56,264,000
Operating profit	864,278	826,785
Share associates	126,901	52,281
Profit before tax	991,179	879,016
Cars	779,203	527,467
Commercial vehicles loss	82,510	*172,711
Agricultural machy.	45,528	29,685
Fuel oil	61,465	63,935
Finance	126,904	32,261
Taxation	527,196	499,456
Net profit	463,983	379,560
Preference divs.	19,800	19,800
Ordinary	218,026	200,311
Retained	216,337	139,649

* Profit.

Excepting commercial vehicle sales, which were "very seriously" affected by the lack of investment by industry, all group activities produced better results than in the previous year.

Basic earnings per 25p share increased from 6.6p to 7.97p, and the dividend is stepped up from 3.675p to 4p net—the maximum permitted—with a final of 2.775p.

Profit for the first two months *of 1976 shows an improvement of* over 10 per cent. compared with the previous year, but there are two factors completely outside the group's control which make it impossible to forecast for the whole year, *the directors state*.

The first is the degree to which Leyland can overcome its industrial relations problems and produce a steady flow of vehicles, for which there is a ready market, and the second is whether counter-inflation measures can slow down the rate at which costs are increasing.

However, with its rebuilding programme completed and no immediate cash flow problems, the group is "well placed" to take advantage of the increase in new car sales in the home market.

● comment

Despite a turnround of £228,000 to losses by the commercial vehicle division, Appleyard's full year pre-tax growth comes out at 13 per cent. after a second half jump of 36 per cent. Demand for used cars has been buoyant while the spare parts division as well as for fuel oil and the drop in interest rates have all made some impact. Appleyard's sale of Swedish Scania trucks—it holds the Scottish distributorship—fell heavily in the face of depressed demand which was affected by sterling's depreciation as well as the economic situation. However, *there are now signs of an upturn* and this division is expected to show a profit in the current year. There remains some question mark over new car sales as a result of the Leyland troubles, but that apart all divisions are expected to see some growth this year. A p/e of 3¼, at 47p, and a yield of 13.9 per cent., covered just under two times, are below the sector's averages.

Centrovincial recovery prospect

Centrovincial Estates incurred an increased pre-tax loss of £397,000, against £179,000, in the half year to September 25, 1975. For the year 1974-75 there was a deficit of £160,000.

However, good progress continues to be made in the negotiations of increased rents from existing U.K. properties, and net rental income for the year "will show a significant increase," the directors state.

Realised profits from dealing properties in the year will exceed £100,000—the second half will thus show a substantial improvement in group net revenue before tax, development interests and capital items which, subject to unforeseen circumstances, should more than eliminate the deficit of £194,000 in the first half, the directors add.

	Half-year 1975 £000	1974 £000
Net income	1,631	1,433
Interest payable	1,835	1,395
Other interest*	203	217
Pre-tax loss	397	179
Overseas tax	23	22
Minorities loss	86	29
Group loss	336	172

* Relating to certain developments in progress.

Clifford's Dairies upsurge

A SHARP RISE in taxable profits for 1975, from £250,364 to £631,896 and a one-for-one scrip issue in "A" Ordinary for Ordinary and "A" holders, are announced by Clifford's Dairies, manufacturers and distributors of milk, dairy products and groceries.

At halfway when reporting a profit advance from £170,400 to £200,900 the directors said it was hoped results for the whole year would show a worthwhile improvement.

Earnings for the year per 25p share are given at 9.9p against 6p and the dividend is 3.10375p net compared with 2.9085p.

	1975	1974
	£	£
Turnover	14,262,000	11,275,008
Pre-tax profit	631,896	250,364
Tax	307,051	91,406
Net profit	324,845	158,958
Attributable	314,656	156,442

In addition to the group profit, there are profits applicable to prior periods representing arrears of renumeration determined by the Ministry of Agriculture and Fisheries amounting to £108,463 after tax.

Kenkast loss £125,000: no dividend

A turnaround from a pre-tax profit of £47,268 to a loss of £124,803 is reported by Kenkast for 1975. The loss per share is shown at 3.19p (0.92p earned) and there is no dividend, against 0.67p net per 10p share.

The difficult trading conditions that prevailed throughout 1975 continue, particularly in the housing and building divisions, though there appears to be the first signs of an upward trend in the mobile home and domestic division, the directors state.

	1975	1974
	£	£
Sales	3,029,347	2,854,829
Pre-tax loss	124,803	*47,268
Tax credit	58,600	†28,080
Net loss	66,203	*19,388

* Profit. † Charge.

MINING NEWS

Uranium helps Homestake

BY MALCOLM DUMPHREYS

THE AMERICAN gold, uranium and base metal producer Homestake Mining, saw its net income last year fall to $24.23m. (£12.65m.) or $2.14 (£1.12) a share compared with $34.1m. or $3.01 a share in 1974. The past year's dividend, however, was maintained at $1.25 (62p) a share.

The reduction in income was principally the result of lower lead prices and lesser sales of lead and zinc. Exploration costs and operating expenses were also higher during the period but the decline in revenue was partially offset by higher earnings from uranium.

The uranium division's contribution to pre-tax profits rose from 1 per cent. to 13 per cent. during the year or from $1.6m. to $10.5m. (£5.5m.) The high demand and strong market price for the metal are expected to make the division an "increasingly important contributor" to the company's income over the next few years.

Production at Homestake's veteran gold mine in South Dakota was affected by a fire and the collapse of a mine ventilation shaft which also caused a lower grade of ore to be mined. But thanks to a higher average price received for the gold during 1975 of $163.58 per ounce against $157.96 in the previous year, its contribution to profits rose to 38 per cent. from 34 per cent. At present gold prices, however, income from this quarter will be "considerably lower" in the current year.

The contribution to profits of the group's Missouri lead-zinc operations fell to 46 per cent. last year compared with 62 per cent. in 1974. The operations are expected to contribute substantially to income in the current year and will have been helped by the recent rise in the producer price of lead.

Homestake recently acquired a 48 per cent. stake in Kalgoorlie Lake View's Mt. Charlotte gold mine in Western Australia and is to inject $A8m. (£5.2m.) into the company to enable it to maintain operations. The shares are quoted in our Wall Street list.

Amcoal's R17m. debentures

South Africa's Anglo American Coal Corporation is to raise R17m. (£10.2m.) by a private placing of unsecured Debentures 1987-91 at par carrying a coupon of 13.75 per cent. which is a record, reports our Johannesburg correspondent.

The issue has been placed by Standard Merchant Bank, Barclays and UAL and the proceeds are officially said to be for financing Amcoal's expansion programme "to meet the growing domestic market for coal and the significant export contracts."

The company's last balance sheet showed only R3.5m. (£2.1m.) of long-term borrowing against shareholders' funds of R120m. (£72.06m.) so the company has negligible gearing which even the present issue will only raise to about R20m.

Capital commitments were shown at R54m. (£32.43m.), including final costs of the Arnot-Kriel project and on-going export expenditure, so further fixed interest fund raising cannot be ruled out, adds our correspondent. "Amcoal" were 360p yesterday.

$210M. MEXICAN COPPER SMELTER

A letter of intent to build a $210m. (£110m.) copper smelter and refinery at Empalme, near Guaymas, Sonora, Mexico has been signed by Mexicana De Cobre, a private company with Mexican Government participation, America's Fluor Utah (a subsidiary of Fluor Corporation) Japan's Furukawa Company and Furukawa Electric Company. The consortium will be assisted by Japan's Mitsui and C. Itoh.

The smelter will be designed to process 3,250 tonnes a day of copper concentrates which will come from Mexicana De Cobre's La Caridad mine, also in Sonora, where a concentrator is now under construction. The refinery's capacity will be 150,000 tonnes a year of copper cathodes.

Kleinwort Benson Lonsdale

The "excellent" results of Kleinwort Benson Lonsdale in 1975—group profits were 28 per cent. higher at £5.92m.—were achieved against the background of a continuing weakness of sterling, points out the chairman Sir Cyril Kleinwort.

Therefore, this emphasises the value and significance of group activities in foreign currencies as well as sterling.

The group was able to play a "significant" part in helping to raise the massive amounts of new equity capital, as well as providing as much trade finance and working capital as industry was willing to take.

Sir Cyril says it cannot be emphasised too strongly or too often that, given the right conditions, industry will invest for the future and that the necessary funds can and will be provided through the financial markets of the City.

Mr. Robert Henderson, chairman of the merchant banking side, Kleinwort Benson, reports that during a difficult year in world markets the broadly-based geographical strengths were clearly underlined.

Banking operations continued profitable even though the financial sector had an inauspicious start. Acceptances fell from the previous record level, but Kleinworts remains one of the leaders in this field, and a growing number of U.K. companies are increasingly aware of the value of having an additional line of short term banking support.

There was much more encouragement for investment managers and the number of funds under management has been increased. At the year end group assets totalled £1.13bn., compared with £1.08bn. at end 1974. Current assets stood at £518.58m. (£457.08m.), advances and other accounts £432.39m. (£369.35m.), portfolio investments £20.35m. (£23.2m.) with a valuation of £22.72m. (£20.6m.), acceptances £143.23m. (£199.27m.). Current deposits and other accounts were £892.32m. (£800.12m.).

Meeting, 20, Fenchurch Street, E.C., April 29 at noon.

Chairman's statement Page 20

Majuli and Borelli

In furtherance of plans to hive off their Indian interests into Indian companies both Majuli Tea Co. and Borelli Tea Co. propose to convert their Preference capital into Ordinary capital on a one-for-one basis.

Majuli has incorporated a new company Majuli Tea Holding and Borelli has incorporated Borelli Tea Holdings in England as investment holding companies to acquire the respective capital on a one-for-one basis.

Both companies hope to increase dividend by the current maximum permitted.

BIDS AND DEALS

Gordon Johnson-Stephens U.S. acquisition

Gordon Johnson-Stephens, manufacturers of poultry processing equipment, has acquired a 72 per cent holding in Gordon Johnson Industries Incorporated of Kansas City, for $1,197,712 (approximately £630,000). The shares were formerly those of Mr. Gordon W. Johnson and his family interests.

Associations between the two companies go back to 1955. In 1966, the U.K. company acquired exclusive rights to manufacture and sell Johnson products throughout the rest of the world, excluding Canada and North America, for 25 years expiring in 1990. The acquisition of control will enable the U.K. company to have world-wide coverage.

Minority holders of the U.S. company, being mainly employees, will be offered a suitable price for their holdings by the U.S. company itself under the American laws which allow a company to purchase its own stock. This would not be possible in the U.K.

The consideration has actually been paid by Tyndall International Management, a Bermudan-based company, on the advice of lawyers, to avoid any complications with the American SEC. Tyndall acted an intermediary and, having purchased the Johnson family interests, passed them on the U.K. company at the same price.

The purchase has taken the form of a package. A $U.S.700,000 10½ per cent. Convertible Unsecured Loan, 1979, has been placed among non-U.K. residents. In the U.K. 350,000 Ordinary GJS shares have been placed among institutions for £154,000 which has been applied to buying $293,000. And a further $205,000 in cash has been provided out of existing resources.

At February 29, 1976, net assets attributable to the Common Stock of Gordon Johnson Industries were put at $1.514m., and for the 11 months to that date it made pre-tax profits of $501,000 on sales of $6.4m.

The directors of the U.K. company are forecasting profits of £450,000 for the year ending February 29, 1976, and a total dividend of 1.95p per share. A figure of £850,000 before tax is forecast for the enlarged group in the following 12 months.

Expansion by Bestobell

In a new expansion move, Bestobell, the international engineering and chemical products group, has acquired Silicone Engineering, a private company specialising in the processing of silicone rubber polymers, for £599,400, satisfied by the issue of 370,000 Bestobell Ordinary shares.

Pre-tax profits of Silicone for the year to May 31, 1975, were £107,894. Net assets amounted to £355,324.

BID APPROACH TO CHAS. CLIFFORD

Charles Clifford, the wrought metals and metal spraying group, has announced through its financial advisers, Charterhouse Japhet, that a bid approach has been received. No names have been mentioned and shareholders are advised to take no action until further details are announced.

A 27 per cent. stake in the group, formerly held by Metal Products (Willenhall) which has called in a Receiver, passed to Cooper Industries last September for £160,122, or around 66p per share. The shares ended 2p higher last night at 100p, having started the week at 93p.

ROTHMANS—ILFORD SELLING JOINT SUBSIDIARY

Rothmans International and Ilford have agreed in principle to the sale of their jointly-owned subsidiary, Pembroke Packaging to Esseltepac, a Swedish company specialising in consumer packaging and part of the Stockholm-based Esselte Group.

Bank of Sweden permission has been given for the transaction, and application has been made to the Bank of England. No indication of the likely price has been given and completion is subject to formal and legal documentation.

Esseltepac, which has a very large share of the Swedish packaging market, hopes to develop its business in the U.K. as a result of the purchase.

Satifactory assurances have been given in respect of the existing terms and conditions of employment of all employees as a condition of the acquisition.

Dorada motor deals

Dorada Holdings announces the completion of the purchase of Parkway of Huddersfield, incorporating Brockholes Motor Company, which holds the exclusive Ford franchise in Huddersfield, and the sale of its Burnley and Wakefield depots, which formerly sold Chrysler and other vehicles.

Assets purchased amount to £557,811 and assets sold £634,794, leaving a cash balance in favour of Dorada of £76,983.

The Chrysler franchises formerly held by Dorada had not been profitable; the Ford franchise just acquired is profitable. Annual sales of Parkway and Brockholes are in excess of £4m.

CROWTHER & NICHOLSON

Following the decision last month to cease trading, the directors of Crowther and Nicholson, woollen manufacturers, announce that the running down of trading activities is proceeding according to plan.

Discussions have taken place, and are continuing, with various interested parties for the disposal of the business in whole or in part.

ALLIANCE ALDERS

The recommended cash offer by Jefferson Smurfit to acquire Alliance Alders has been accepted by holders of over 46 per cent. of the Ordinary shares. Together with shares already held and shares assented to the offer, Smurfit now controls over 63 per cent. of Alliance Ordinary. The offer has become unconditional and remains open.

Unexpected profits fall for Electrolux in 1975

BY WILLIAM DULLFORCE

STOCKHOLM, April 1.

ELECTROLUX, Sweden's fast-expanding domestic appliance and industrial cleaner group, shows an unexpected profits decline for 1975 following a poor second half. Pre-tax earnings dropped from the Kr.469.1m. realised in 1974 to Kr356.3m. (£42m.) despite a 16 per cent. increase in group turnover to Kr6.43bn. (£755m.). Earnings per share fell from Kr14.15 to Kr11.15.

The result is disappointing after the forecast in the six-months interim report in August that earnings would be maintained—and even more so—compared with the 15 per cent. growth target set by the Board in May. The Stockholm Stock Exchange, however, did not react adversely to-day, the Electrolux share price being maintained and even rising slightly in some deals.

According to the summary issued yesterday the second half was badly affected by a combination of wage increases and price freezes, as well as by a sharp reduction in profitability on several Facit products.

Facit, the typewriter and office equipment company, which Electrolux took over in 1973, in fact saw 1974 pre-tax earnings of Kr19.5m. changed into a loss of Kr55.3m. (£6.5m.) last year on sales of Kr1.19bn. This reversal alone accounts for two-thirds of the decline in group pre-tax profit and is all the more surprising in that the six-month report showed a slight improvement in Facit's earnings.

Most severely hit was the production of electronic calculators, in which price falls necessitated heavy inventory write-offs at the Swedish factories and foreign sales companies. In addition, the facit result includes some extraordinary costs arising from the shutdown of electronic calculator production at Lago-Calc in California.

In contrast the American vacuum-cleaner subsidiary, National Union Electric, which Electrolux took over in 1974, is reported as showing "a good operating result of approximately the same amount as in 1974." Another American subsidiary, Domestic Sales Corporation, marketing caravan refrigerators, reports considerable increases in both sales and profits.

A further profit-dampening factor indicated in the preliminary summary is a Kr.35.8m. increase over the year in the Kr.128.9m. (£15.16m.) loss recorded under "net interest, dividends and other earnings."

After a sharp reduction in allocations to inventory reserves and other appropriations, the net group profit for the year comes out at Kr.103.4m. (£12.6m.) compared with Kr.92.6m in 1974. The parent company reports a net profit of Kr.77.3m. (£9.1m.) and *the board proposes to pay a dividend* of Kr.5 per share on the stockholders' capital, which was increased last year by a one-for-five bonus and the issue of 334,000 shares. A dividend of Kr 5.50 per share was paid in 1974.

The summary cautiously forecasts an increase in operating profit for 1976, when the inclusion of the French, Belgian and Swiss Martin companies, taken over last year, should boost group sales to around Kr.8bn. (£940m.).

Pakhoed sees more growth ahead

BY MICHAEL VAN OS

AMSTERDAM, April 1.

PAKHOED, the Dutch-based international storage, transport and property group, expects the growth of its profit per share in the current year not to be lower than in 1975, when it rose to Fls.10.28 per share from an adjusted Fls.9.16. The company bases its confidence on a gradual recovery in the markets for Paktrans, its transport arm, a strong boost from the Paktank (storage) activities in the U.S. and the continuing development of Blauwhoed (property).

The company states in its annual report, which was published in Rotterdam to-day, that the 1975 net profit amounted to Fls.39.1m., which is up at least 12 per cent. on the year before, and expresses satisfaction at the profit performance in a year in which business had been considerably affected by the recession. It proposes adding Fls.23.9m. to the reserves and the dividend is Fls.4.00 per share, up Fls.0.30 on 1974. In view of the 1975 earnings and the prospects for the current year, Pakhoed is again paying a stock dividend of 4 per cent.

The profit and loss account shows that group revenue advanced to Fls.405.4m. (Fls.305.1m.), with operating costs rising to Fls.298.5m. (Fls.205.8m.) and depreciation to Fls.34.99m. (Fls.26.5m.). The operating result, therefore, goes *up slightly to Fls.71.9m.* (Fls.70.8m.). Noticeable on the account is the impact of higher interest charges, which went up to Fls.29.6m. (Fls.18.6m.)—but taxation was considerably lower at Fls.13.8m. (Fls.23.1m.). The company had enjoyed a Fls.7.2m. "investment deduction." Profit before taxes and special income charges was down at Fls.53.5m. (Fls.58.8m.).

Of the Pakhoed group revenue, Paktank contributed Fls.153.3m., while the operating company's operating result amounted to Fls.63.2m. The Paktrans revenue was Fls.217.6m. and the operating results only Fls.3.3m. and the revenue from Blauwhoed was Fls.30.1m. and the operating result Fls.22.8m.

Investments are expected to amount to Fls.240m. in the current year, compared with Fls.238m. in 1975 and Fls.138m. in 1974. This year's investment will comfortably be covered by internal resources, expected cash flow and the group's stand-by facility. With the float of the *U.S. $25m. Euro-bond loan in* February, a start has been made on the financing of investments after 1976, which will be concentrated in the U.S.

Pakhoed said that Paktank had completed its running-in phase on the U.S. market and a "considerable share" of the profits in the next few years would be generated by activities there. Expansion in Western Europe would be less pronounced as a result of the slower growth of energy consumption, and thus of oil. As for the subsidiary Paktrans, which had been hit hard by the recession, the future looked brighter.

Sweden defines its capital gains

BY WILLIAM DULLFORCE

STOCKHOLM, April 1.

THE SWEDISH Finance Ministry to-day published a Parliamentary Bill which will both simplify and sharpen capital gains tax on shares and property.

The Bill establishes the principle that a capital gain from the sale of property is taxable, however long the property may have been held. On the sale of shares *held for up to two years the full* value of the gain made will be taxed at the marginal income-tax rate. On shares held for over two years 40 per cent. of the gain will be taxable at the marginal rate.

The Bill would also allow the Government on request to exempt from taxation transfers of shares from Swedish to foreign companies. Transfers of *shares in foreign companies to* Swedish companies on mergers can already be effected without tax.

Dealings on the Stockholm *Stock Exchange* this morning were suspended for one hour before publication of the Bill. Initial reaction was mixed. There was relief that Finance Minister Gunnar Strang has not implemented his suggestion earlier this year that the new law be made retroactive to January 1: if approved by Parliament, it becomes effective from April 1. This decision will clear the way for some mergers, such as that *between the Ahlen och Holm* and NK retail store chains, and facilitate some rights issues.

The finance ministry has plumped for a 40 per cent. limit on shares held for two years or more compared with the 30 per cent. proposed last August by a tax commission, but there had been rumours on the Stock Exchange that Mr. Strang might go as high as 60 per cent.

The Bill retains the present two-year limit, up to which capital gains on share transactions are taxed on 100 per cent. of the gain, eases tax on shares held for two to four years and increases tax on shares held for over four years. Under the present system shares held for more than five years were taxable on 10 per cent. of the selling price.

The Bill does not follow the commission's proposal that taxes should be extended on sales of works of art, antiques, jewellery and postage stamps. Taxation on gains from the sale of such property remains unchanged.

Degussa staging a recovery

By Guy Hawtin

FRANKFURT, April 1.

THE CURRENT business year has brought about a major improvement in Degussa's fortunes. The Frankfurt-based metals and chemicals group reports that the first five months of 1975-76 have brought about measurable improvements in both profits and turnover.

This is heart-warming news for Degussa's shareholders, who are looking forward to a heavy cut in the 1974-75 dividend after a *substantial fall in sales and earnings.* The annual meeting on April 23 is being asked to approve a cut in dividend from 1973-74's DM9 per DM50 nominal share to DM7.50.

Herr Paul Ungerer, the concern's chief executive, said that Degussa's optimism about the current business year had become somewhat firmer. The chemicals sector had recovered *at a rather faster rate than the* metals sector, but even in the latter area there had been a measurable improvement.

In the first five months of 1975-1976 overall turnover had gone *up by 7 per cent.* Figures for the metals sector, including previous metals, showed a 5 per cent. increase in turnover. When previous metals were excluded, the rise was a full 18 per cent.

The overall growth rate in the other business sectors was 13 per cent. over the five months. There had, however, been considerable fluctuations in performance from sector to sector—from a turnover increase of 34 per cent. to *a drop in turnover of 18 per* cent. In volume terms, chemical output rose by 10 per cent., while production of pigments went up 16 per cent.

Profits in the first five months of the year were "noticeably" better than in the same period of 1974-75, said Herr Ungerer. It was Degussa's policy to keep the dividend closely linked with earnings and if the improvement in earnings was maintained shareholders could expect "a dividend as in normal years."

Presumably this means a return to a similar dividend level as 1972-73 when it paid DM8.50 a share. Behind 1973-74's DM9 *per cent dividend* was a huge 44.8 per cent. increase in turnover and a substantial rise in net earnings.

Bank's liquidation approved

By David Egli

GENEVA, April 1.

LIQUIDATION of the International Credit Bank, founded and directed by Dr. Tibor Rosenbaum, has been approved by a *Geneva Court.*

Under the liquidation plan small clients of the bank will receive full repayment on sums of up to Sw.Frs.5,000 (approximately £1,000). The larger creditors are entitled to collect a similar sum if they gave up all outstanding claims on the bank. If they are unwilling to do this they will receive a payment of 17 per cent. of the amount outstanding on their account.

The court found that the bank's liabilities amounted to some Sw.Frs.600m. (more than £122m.) while assets amounted to only Sw.Frs.306m. (£62m.).

The liquidation will be con*ducted by Deloitte, Haskins and* Sells, court appointed commissioners, under the supervision of six lawyers representing the interests of creditors.

The Geneva court ordered Board members of the International Credit Bank to reimburse all sums paid to them in the form of dividends or fees over the last five years of the bank's activity.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103	104
Ashland 8pc 1987	93½	96½
Austrasswiss 8pc 1987	93	94
Borregaard 8½pc 1986	96	97
Broken Hill 10pc 1980	103½	104½
Carrier 8pc 1987	93½	94½
Conoco 8pc 1986	99½	100½
Consol. Foods 7½pc 1991	91½	92½
Cutler Hammer 8pc 1987	93½	95½
EIB 9½pc 1993	102½	103½
Erap 9½pc 1985	102½	103½
Esso 8pc 1986 Nov.	101	102
General Cable 8½pc 1987	91	92
General Motors 8½pc 1986	104	105
Granges 9½pc 1993	100½	101½
GTE 8½pc 1986	99	100
New Zealand 9½pc 1982	102½	103½
Pacific Light 8pc 1985	93½	96½
Prov. of Quebec 7½pc 1986	90½	91½
Quebec Hydro 8½pc 1989	88½	89½
Queensland 8½pc 1987	91½	92½
Scanraff 8½pc 1995	98½	99½
Shell 8pc 1986	99½	100½
Stand. Oil (Ind.) 8½pc '95	101½	102½
Tenneco 7½pc 1987	92	93
Transocean 8pc 1986	99	100
Utah 8pc 1987	97½	98½
Volvo 8½pc 1993	101	102
NOTES		
Air France 9½pc 1982	103	104
Ardal 9½pc 1980	103	104
Australia Ind. 10½pc 1981	104½	105½
Barclays 9½pc 1982	101½	102½
Cie Nat. Rhone 10pc 1982	104	105
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	101½	102½
General Motors 8½pc 1978	100	101
Montreal 9½pc 1981	103	104
Nippon Steel 9½pc 1980	102	103
Norway 9pc 1980	103½	104½
Skandinaviska E 10½pc '81	105½	106½

Source: White Weld Securities.

STRAIGHTS	Bid	Offer
Sperry Rand 4¼pc 1987	98	100
Squibb 4¾pc 1987	89	93
Texaco 4¾pc 1988	77	79
Toshiba 6½pc 1990	104	105½
Union Carbide 4¾pc 1982	128	129
Warner Lambert 4¼pc 1987	92	94
Warner Lambert 4¾pc 1988	83	85
Xerox 5pc 1988	74	76

Source: Kidder Peabody Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	77½	79½
Ashland 5pc 1988	84	86
Beatrice Foods 4¼pc 1992	94	96
Beatrice Foods 4½pc 1992	101	103
Borden 5pc 1992	94	96
Broadway Hale 4½pc 1987	77	79
Canon Camera 7½pc 1989	124	126
Carnation 4pc 1987	82	84
Chevron 5pc 1988	107	109
Dart 4¾pc 1987	88	90
Eastman Kodak 4½pc 1988	125	127
Economic Labs. 4½pc 1987	80	82
Fed. Dept. Stores 4¾pc '85	138	140
Firestone 5pc 1988	94	96
Ford 6pc 1986	98	100
Ford 5pc 1988	88	90
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	83	84
Gould 5pc 1987	89	91
Gulf and Western 5pc 1988	99	101
Harris 5pc 1992	84	86
Honeywell 6pc 1986	93	95
ITT 4½pc 1987	78	80
Komatsu 7½pc 1990	100½	102
J. Ray McDermott 4¾pc '87	132	134
Mitsubishi Elec. 7½pc 1991	[illegible]	[illegible]
Mitsui 7¼pc 1990	[illegible]	[illegible]
J. P. Morgan 4¾pc 1987	[illegible]	[illegible]
Nabisco 5pc 1988	[illegible]	[illegible]
Owens Illinois 4½pc 1987	[illegible]	[illegible]
J. C. Penney 4¼pc 1987	[illegible]	[illegible]
Pioneer 6pc 1988	[illegible]	[illegible]
Revlon 4¼pc 1987	[illegible]	[illegible]
Reynolds Metals 5pc 1988	[illegible]	91

U.S. STEEL AND BSC

Steel—contrasting two giants

BY GEOFFREY OWEN

THIS WEEK British Steel Corporation ended its financial year with a loss estimated at around *£250m., compared with a profit of* £89m. in 1974-75. United States Steel Corporation, which is of comparable size and faced similar trading conditions, has just reported pre-tax profits of $824m. in 1975, against just over $1bn. in the preceding year. Why the difference?

One explanation, though not the most important, is that U.S. *Steel is more diversified than* BSC. The American company has actively sought to develop non-steel businesses which would offset the steel cycle; last year these operations, primarily chemicals, fabricating and engineering, and transportation, provided nearly half the company's profits. BSC also has non-steel interests in much the same areas, but they are smaller and less profitable; in 1974-75 chemicals made a profit of £10m. but Redpath Dorman Long, engaged in engineering and construction, made a loss of £11.2m., largely arising from the platform-building site in Scotland.

Even if the non-steel interests are excluded, the comparison between the two companies is hardly less favourable. U.S. Steel made a respectable profit of $330m. in steel manufacturing (compared with $568m. in 1974), and this was a year in which the company's steel shipments fell by 30 per cent. and capacity utilisation averaged 74 per cent. In 1975 BSC's production fell by 17.3 per cent.

The explanation must lie primarily in manpower and the way in which it is used. On the basis of a crude comparison of total *company employees,* U.S. Steel needed 173,000 men to produce 26m. tons of steel, while BSC needed 218,000 to produce 17m. tons. When allowance is made for the larger proportion of U.S.

		1972	1973	1974	1975
Raw steel output (m. tons)	BSC	25.1	23.0	20.8	17.3*
	USS	30.7	35.0	33.9	26.4
Employees	BSC	226,600	220,400	228,300	218,000
	USS	176,484	184,794	187,503	172,796
Pre-tax profit (loss)	BSC	£9m.	£56m.	£89m.	(£250m.) est.
	USS	$201m.	$483m.	$1,033m.	$824m.
Turnover	BSC	£1,478m.	£1,775m.	£2,256m.	na
	USS	$5,443m.	$7,031m.	$9,339m.	$8,380m.
Capital spending	BSC	£198m.	£187m.	£311m.	na
	USS	$413m.	$435m.	$508m.	$787m.

Note: the comparisons are based on the two companies' financial years, which for U.S. Steel corresponds to the calendar year and for BSC is from April to March; thus under the 1972 heading the BSC figures are those for the financial year ending March, 1973.
* Calendar year figure

Steel's labour force which is employed in non-steel activities (including coal mining), the difference in labour productivity is even more striking.

As for labour disputes, U.S. Steel has a three year agreement with the Steelworkers Union which expires in July, 1977. This includes the "experimental negotiating agreement" which bars industry-wide strikes or lock-outs up to 1980; the idea is to avoid the panic buying which usually occurs when the three-year contract comes up for renewal. At the plant level the situation in the U.S. has been fairly peaceful, while BSC has been plagued by a long series of disputes costing about 1m. tons a year in production.

Since the mid-sixties U.S. Steel has spent well over $5bn. on new rolling and finishing facilities, on replacing open hearth furnaces with basic oxygen steel-making and on other improvements. The programme has not included any completely new works on a "greenfield" site and this is one reason why output per man is still well below that of the best Japanese plants. A plan for such a works is now being studied by U.S. Steel, but no decision has been taken on whether, or where, it will be built.

At the same time the American company, often regar[ded as an] unwieldy giant, has [...] its organisation. Thre[e or] four separate steel div[isions were] set up—Eastern (bas[ed in Pitts]burgh), Central [...] Southern (Birmingh[am, Ala]bama) and West[ern (San] Francisco)—with ful[l responsi]bility for production[...] profits in their area[...] support services [...] corporate staff

BSC has had the p[rob]lem of welding toge[ther] companies which we[re national]ised in 1967. The late[st reorganisa]tion, which takes [effect this] month, does away w[ith the] product divisions a[nd sets up] five new manufacturi[ng divisions] —Scunthorpe, Sheffie[ld,] Welsh, Teesside. The[se] will not be profit [centres but] cost centres, operat[ing to] performance standard[s set] at headquarters. T[he] order handling and [...]ing will be handled c[...]

Since the five ma[in] divisions are not [geo]graphically distinct m[...] the case with U.S. Ste[el] the BSC's overwhelm[...] is to improve prod[uction effi]ciency, the new [...] makes sense. The h[...] that it provides a st[...] work in which the C[orporation's] internal problems c[...] right. Unless the [...]ciency between BSC [and U.S.] Steel is closed, the [...] will continue to be i[n a position] where it makes only [...] fits in the upturn an[d heavy] losses when the steel [market turns] down.

Linde expands against the trend

BY GUY HAWTIN

FRANKFURT, April 1.

LINDE, the Wiesbaden-based engineering, plant construction and cold store group, pushed up turnover and profits in 1975—a year in which the engineering sector, generally, was dragged down by the recession. To-day, *the question is: can the concern* repeat its performance.

The situation was summed up by Dr. Hans Meinhardt, a member of Linde's executive board, who said to-day that, despite the optimism of the government and the economic research institutes, the concern had yet to feel the impact of the economic upturn. Therefore a rise in profits or an improvement in exports was essential.

Dr. Hermann Linde said the opinion of the executive board was that 1976 would not bring a major rise in the inflow of orders. Despite this, however, the Board foresaw a very satisfactory order book total.

So far this year, group turnover has been a little lower than the 1975 figure. By the end of February the inflow of orders—at DM217m. (nearly £44m.)—lay some 2 per cent. under the total for the first two months of 1975. The order book, however, was 40 per cent. higher than last year's end-February figure and on this basis, said Dr. Meinhardt, "satisfactory" results for 1976 *were expected.*

Last year's recession did not leave the concern utterly untouched. Growth was confined to the group's plant construction and cold store business, while *the machinery and vehicle production divisions* were hard hit by the downturn. Much of the improvement in earnings appears to be attributable to the success of timely rationalisation and *restructuring measures.*

Group turnover during 1975 advanced by 6.9 per cent. from 1974's DM1.298bn. to DM1.387bn. Domestic turnover rose 7.9 per cent. to DM939m., while exports *increased by 5 per cent.* to DM448m. The parent concern showed a small increase in turnover which rose to DM996.8m. of which overseas sales accounted for DM343.1m.

Group net profits rose to DM27.97m. after *1974's* DM24.02m. while there was a slight increase in the allocation to reserves, which went up from DM1.44m. to DM1.55m. An unchanged 16 per cent. dividend —*DM8 per DM50 nominal share* —is being recommended. This will require an increase in distributed profits, from 1974's DM19.6m. to DM22.4m. as a result of last year's rights issue which raised Linde's share capital by a nominal DM17.5m. to DM140m.

● First quarter turnover of BASF AG grew between 10 and 12 per cent. over the same period last year, with March proving the group's best month since last October, chairman Matthias Seefelder said.

He told journalists here export sales rose to 55 per cent. of the total from 53 per cent. a year ago.

But despite this upturn, the 1975 dividend will still be cut from the previous year's DM8.50 a share. Group pre-tax profits fell 38 per cent. last year to DM830m.

Arco partial bid succeeds

BY JAY PALMER

NEW YORK, April 1.

ATLANTIC RICHFIELD this morning announced that its tender offer to purchase a minority stake in Anaconda had proved a complete success. The large oil company, the most recent of many would-be suitors of Anaconda to appear on the scene, continued to refuse comment on its plans to acquire the rest of the huge copper company in the near future.

Arco had offered to buy 6m. of Anaconda's 22.1m. outstanding common shares (a 27 per cent. stake) for $27 a share. Although it had previously reserved the right to buy any excess offerings and to-day noted that tenders for over 7m. shares had been received, it opted to limit its acquisition to the stated target of 6m. shares.

The success of Arco's partial bid effectively ends the long and often confusing battle for control of Anaconda over the past six months. Although Crane, the company's first suitor, acquired an 18.6 per cent. equity stake and thus thwarted Tenneco's merger plans, its plans were beaten off. Arco made no secret *that its offer was conditional on* Crane promising not to sell its shareholding within the next half year.

Arco has said that it will require anything up to two years *for it to complete an internal* study of Anaconda and decide whether or not to proceed with a complete acquisition. While it has a first buy option on Crane's holding, and thus could obtain a majority stake quite easily, the oil company's motives now seem simply to prevent anyone else from snatching up Anaconda.

Industry analysts note that the purchase of Anaconda would be Arco's first effective diversification out of energy and petrochemicals.

Rhone Poulenc payment cut

PARIS, April 1.

RHONE POULENC proposed a total 1975 dividend of nine Francs, down from Frs.15.75 previously.

Parent company net profit was Frs.110.38m. (265.48mn.).

Net consolidated 1975 turnover was Frs.17.84bn. (20.25bn.).

The company had previously announced an estimated net consolidated 1975 group loss of Frs.800m. (net profit 1bn.).

Phillips Petrole[um] $230m.

By Ray Dafter, Ener[gy] Correspondent

PHILLIPS Petrole[um to-]day completed [a $230m.] (£119.8m.) deal in w[hich it] sold its refining, [...] and marketing ope[rations on] the U.S. West Coast [to The Oil] *Shale Corporation (*[TOSCO).]

The agreement m[eans] TOSCO becomes o[ne of the] largest independent [...] the U.S. Mr. Morto[n ...] *president, said that* [the pur]chase was a major [step in the] company's efforts t[o ...] new kind of diversif[ied] company.

The assets acquir[ed by the] group comprises [...] barrels a day refiner[y in] California, about 7[...] stations and related [...] Funding for the ope[ration was] arranged with the [help of] Lehman Brothers an[d ...] provided with the [...] of a syndicate of ba[nks, insti]tutional lenders a[nd other] sources. In additio[n ...] is to resell some of [...] A subsidiary of GAT[X Corpora]tion is purchasing f[...] major storage term[inals, and] Southland Corporatio[n is buy]ing about 100 of t[he service] stations, for instance.

TOSCO entered in[to the pur]chase agreement wit[h Phillips] in June last year al[though its] original financing [...] frustrated by un[certainty] *about California's* [...] laws.

As a result of [...] Phillips will withdra[w from] refining and marketi[ng opera]tions on the We[st Coast] *although it will* co[ntinue to] market petrol in Haw[aii.]

TOSCO now h[as] refineries with a tota[l ...] of some 200,000 barr[els ...] It recently acquired [...] operations producin[g ...] tons a year. In additio[n it owns] or leases more than 25[...] of oil shale land in [Colorado] and Utah.

Giles Merritt looks at the conflict over statistics on terrorist charges in Northern Ireland

Where rule of thumb is only way to judge the rule of law

"REMARKABLY successful," said Mr. Merlyn Rees, the Northern Ireland secretary, last week when he told the Commons that so far this year 270 people have been charged with terrorist-type offences in Ulster, 45 of which were murder or attempted murder.

The issue in Northern Ireland at present, however, is not the number of murder charges but the total of convictions. It was raised in a surprise statement in court by Mr. Jonathan Taylor, a Belfast solicitor, ten days ago when he alleged that a "regrettably large" proportion of murder charges were being withdrawn or reduced "to dupe a credulous public into believing that the security forces were solving more murders, than in fact, they are."

No sooner had Mr. Rees finished detailing the successes of security operations — 900 people at present awaiting trial on serious charges—than Mr. Gerry Fitt, leader of the mainly Roman Catholic Social Democratic and Labour Party jumped up to intervene, asking Mr. Rees to confirm or rebut the allegations made by Mr. Taylor and echoed by another Northern Ireland lawyer, Mr. Paddy Duffy.

Nagging doubt

Implicit in Mr. Taylor's remarks and Mr. Fitt's concern is the nagging doubt that the police may be preferring serious charges as a method of detaining terrorist suspects on remand for up to nine months or a year—a new form of internment.

As if to underline the point, Monday this week produced a first-class example of the way in which apparently open-and-shut murder cases are suddenly downgraded to lesser charges. A lawyer for the Director of Public Prosecutions told a Belfast magistrate's court that he had been instructed to withdraw murder charges against a 17-year-old youth and a 20-year-old girl, involved in the city's North Street Arcade bombing of January 14 that killed a man, and replaced them with explosives charges.

Quite simply, the DPP had decided that their bomb had exploded prematurely. Their intention had been to carry out just another of the many "warning given" attacks that have periodically ripped apart Belfast's central shopping area. The DPP, who since mid-1972 reviews all charges preferred by the RUC, is not only fair, as one would expect, but can be seen to be fair. Fiercely independent of the political motives that must sometimes prompt Stormont Castle's actions, or the security forces' understandable zealousness, the DPP's office decides who appears in the dock and on what charges.

The DPP acts as a filter, and so ensures that there can be little likelihood of excess or sectarian bias on the part of the police. It is a very fine sieve, for since July 31, 1972, when the Northern Ireland Office began to release regularly statistics on terrorist charges, 606 people have been charged with murder or attempted murder but only 130 have been convicted.

That is not to say that more cases have not been solved. In all, the RUC reckoned recently that 330 of the 1,104 terrorist murders committed since 1969 can be considered as cases closed—the difference of 200 being made up of murderers who either died while committing their crime or subsequently plus the handful of killers who gained the refuge of the Republic of Ireland.

In the last few days, there has been much statistical juggling as interested parties attempt to substantiate or dismiss Mr. Taylor's allegations. He has yet to produce his own figures. The task is complicated both by the separation of powers, under which Stormont Castle has restricted itself to the listing of charges and carefully left the rest to the judiciary, and by the nature of terrorism.

Timescale

Some sets of figures date from October 5, 1968, the first major civil rights disturbances. Others from August, 1969, the first fatalities. July, 1972 is another starting point, just after "Operation Motorman" swept through the "no-go" areas. Then there is the 1973 peg of the Emergency Provisions Act.

The last timescale was used by Mr. Sam Silkin, Attorney General, when he explained the situation to the House during last Thursday's Security Debate. Of the 275 people charged with scheduled murder since the Act, 42 charges had been dropped before the committal stage he said, 144 had so far been committed for trial and dealt with. What he did not say was that only 92 of those 144 resulted in convictions, there being 23 acquittals and 29 further charges withdrawn.

Whichever figure you use, there remains a sizeable gap between murder charges and convictions. It stems from police practice of preferring the most serious possible charges against a suspect because it is easier to reduce a charge than to increase it.

When, say, the RUC arrest a man involved in a murderous bombing attack they do not first assess his intentions, the degree of his complicity or even the quality of the evidence against him. Charge first, runs the system, and investigate minutely later. All too often they discover that their murder suspect can in all justice be charged only with manslaughter or explosives offences. The DPP's office scrutinises the evidence carefully and, urban terrorism being what it is, not infrequently finds it too circumstantial. Above all, there is intimidation. There are, of course, no juries in the Belfast City Commission, but often there are no witnesses either.

Stung, perhaps, by the increasing suspicion in Ulster that Stormont Castle's publication of statistics on charges tells only part of the story, Mr. Rees' department is now pressing the DPP to help produce charge/conviction figures. Easier said than done, in any event, because of the complicating factors of murder gangs, where 12 men may sometimes kill one person, or massacres in which one man armed with a bomb or a machine gun can slaughter many.

Encouraging

Definitive statistics, though, would need to correlate incidents to arrests, and charges to convictions and Mr. Rees has said that would require "disproportionate effort."

In spite of the row over the murder figures, they would probably make encouraging reading. Last year, 1,090 people were convicted of terrorist offences and 1,197 charged. You cannot directly relate the two because of the law's delay, but if the 1975 convictions total is compared to the 1974 charges total of 1,362 or the 1974 conviction figure of 1,073 is set against the 1973 charges level of 1,414, a rough picture emerges. And until comprehensive statistics are drawn up, rule of thumb is the only way of assessing the rule of law.

NORTH SEA OIL REVIEW

Now development starts in earnest

BY RAY DAFTER

IN SPITE of the flurry of excitement which will be generated by the next round of offshore licences, Britain's North Sea exploration venture can be reckoned to be over the hump. Of the 20bn. to 25bn. barrels of recoverable oil estimated to lie in the U.K. sector of the North Sea, some 14bn. to 16bn. has probably been discovered.

While it is true that 24 new "oilfields" have been discovered in the past 12 months, as Mr. Anthony Wedgwood Benn, Energy Secretary, pointed out on his Scottish tour this week, it is by no means certain how many of these finds will prove to be economic development prospects.

There are still some interesting areas in the North Sea to be explored — particularly around the Moray Firth — but the U.K. oil industry is sceptical that past levels of offshore exploration activity will be repeated, even allowing for a possible switch in emphasis to the Western Approaches and Celtic Sea.

New phase

This means that Britain has entered a new phase in its offshore venture, one which is geared to development and production. It is estimated that fields under development at present contain about 8bn. barrels of recoverable reserves. By the end of this year seven of them should be on stream: Forties and Argyll which started producing last year; Auk, which came on stream in February after a troublesome winter; and four which have yet to yield oil—Beryl, Brent, Montrose and Piper.

The production phase has inevitably brought with it a whole new set of problems for companies, principally those concerned with financing the projects in times of inflation. Companies must also reckon with delays caused by technological problems and other frustrations.

The Occidental Group, which has encountered piling problems with its Piper Field platform, said a few days ago that the latest estimates for the development of the Piper and Claymore fields was $1.17bn. or approximately £609.4m.—some £68.3m. *more than estimated when the* novel Claymore financing deal was announced in February.

The sums now being done in the industry suggest that between £8bn. and £10bn. will be needed to develop discoveries up to 1980. The Henley Centre for Forecasting, in its survey of non-Middle East oil producing countries (a 350-page tome) reckons that by 1980 about £14.7bn. will *have been* required for capital expenditure on the U.K. fields, allowing for inflation. Of this some 23 per cent. will have been spent on platform structures, 14 per cent. on platform equipment, 20 per cent. on development work and drilling; and 20 per cent. on the main pipeline network.

The way in which this ambitious programme will be financed is now becoming clear. Indeed, the range of possible *methods looks like* being widened, thanks to a scheme for institutional investment which is now being circulated in the City.

Charterhouse Japhet, part of the Charterhouse Group, is promoting the novel idea of forming a syndicate of pension funds and insurance companies, each of which would be expected to invest at least £1m. It is envisaged that the first deal—involving the syndicate buying *its way into a group with a* proven commercial find—might involve a sum of around £50m.

The prospectus sent out by Charterhouse Japhet includes a *useful check-list of the various* financing methods for the North Sea. First, there is Government assistance; either through a direct purchase of oilfield *interests* (as with Burmah's stake in Ninian), state-backed bank loans (as is the case with Tricentrol's interest in Thistle) or through an agreement to *contribute to capital costs* as part of a 51 per cent. participation deal. Until now there has been little evidence of the Government being anxious to *undertake such a commitment* under its participation terms.

Secondly, there are the private sector financing schemes. The obvious one is bank finance, whereby companies offer an overriding royalty to banks *which, in turn, provide cash on* a limited recourse basis (as with Thomson Scottish Associates interests in Claymore and Piper). Rights, or new issue finance is another method already used (by London and Scottish Marine Oil—LASMO—and Scottish Canadian Oil and Transportation — SCOT — for instance).

Production finance is another possible method, although one as yet untried in the North Sea. *Under this scheme an exploration company sells some or all* of its future production of crude oil to a buyer who agrees to finance part of the development costs.

The alternative to all these schemes is the straight sale of an oilfield interest by a company which has been successful in exploration but does not wish, or is unable, to finance the development. A classic example could involve the Brae Field, *believed by some to be the third* largest oil and gas find in the U.K. sector of the North Sea.

For some time now Pan Ocean, the operator for Brae, and a number of other members of the exploration consortium, has been looking for investors willing to buy their way into the group and accept some of the burden of development costs. The structure of the field —long and thin—will make development an expensive exercise. It is understood Pan Ocean has been quoting a figure of around £500m. for initial oil production. Industry estimates suggest that the full development costs for platforms and an associated gas pipeline, could be in excess of £1bn.

Amoco has confirmed that it has had a preliminary look at the prospect of taking a stake in Brae, in which case it might *provide* the "*big company*" presence that the Pan Ocean group is seeking.

It is possible that the British National Oil Corporation, which already has a 20 per cent. stake in Brae, may increase its holding and, perhaps, even become the operator now that it has the prospect of taking on Burmah's technical staff. On the other hand, there is every indication that BNOC is not anxious to spend large sums of money at present: it has already inherited a sizeable financial portfolio.

The Corporation started life earlier this year with a kitty of some £900m. Its first task was to pay the National Coal Board £90m. following the transfer of the coal industry's exploration business to the Corporation. At the same *time BNOC* accepted responsibility for the Coal Board's exploration and development programme costing at least £500m. over the next five years.

Rescue plan

The Burmah rescue plan has so far cost BNOC between £88m. and £90m. This covers its acquisition of Burmah's stake in the Ninian Field, an involvement which is likely to cost a further £150m. to £200m. in development costs over the next three years. Negotiations are continuing on a wider deal which will give the Corporation effective control of Burmah's other North Sea assets, including its part of Thistle. This will mean another considerable investment out of BNOC's coffer.

As time goes by, the Corporation will be able to build up its assets through oil revenue. It has already assured itself of title to between 15m. and 20m. tons of oil a year by the early 1980s. In the meantime, however, it seems that the Government, and BNOC in particular, might be constrained by a shortage of cash in any further development aid they may wish to offer. This is a point made by Charterhouse Japhet in presenting its institutional investment scheme.

So far insurance companies and pension funds have been somewhat shy of venturing into large-scale offshore investment although the institutions did put up £50m. of the £75m. LASMO-SCOT fund-raising earlier this year. In one sense, this is surprising as the time span of such an investment (some 10 to 15 years) matches the term of many of their liabilities. Furthermore, the wasting asset nature of the investment ties *in with the form of many pen*sion and annuity liabilities.

The companies reticence is due to a number of factors: there has never been a North Sea *vehicle to bring them* together in a semi-formal syndicate and, perhaps the most important, they have been wary of the risks involved.

Inevitably it is the exploration groups with the smaller companies that must be in the most need for finance. The Association of British Independent Oil Exploration Companies (BRINDEX) pointed out this week that its 26 member companies laid claim to around 400m. barrels of proved and declared oil reserves. The members—they include Thomson, Cluff Oil, Tricentrol, Charterhouse and National Carbonising—have interests in 113 North Sea blocks and have been involved in the sinking of 94 wells.

It is doubtful whether the institutions will want to pump money into groups comprised solely of smallish companies; *they will want to see some core* of operator experience. Indeed, Charterhouse Japhet says specifically that its scheme will apply to a field "under course of development with an operator of proven capability." On the face of it this would seem to rule out a possible stake in Brae unless a company like Amoco, also arranges a farm-in deal.

Syndicate

Not that institutional investors need to concentrate their attention solely on finance for smaller enterprises. There is a fascinating scenario being considered in the oil industry in which a new institutional stake could help to remove some of *the doubts raised by participa*tion. It runs like this: a syndicate takes a 51 per cent. interest in a field or block alongside a major oil company. At the same time the syndicate agrees with the Government to give BNOC the option to acquire the whole of its share of the output (at market price), thus satisfying the present participation terms covering the complete licence. The oil company is then left free of participation ties, free to use its 49 per cent. of the field's oil in any way it choses and free to negotiate an agreement with the syndicate to take any oil not required by BNOC.

Whatever happens, any change in a licence consortium through a farm-in arrangement must inevitably lead to a participation agreement in principle.

However, the Government has shown in the participation agreements announced so far that it is content to leave operators financially "no better, no worse off." Similarly some of the other risks have been quantified: the tax regime and state aspirations embodied in the Petroleum and Submarine Pipelines Bill, for instance. What is not known at this stage is the Government's intention over depletion. Will it deliberately restrict North Sea output once Britain attains energy self-sufficiency in 1980 or 1981?

RIG MOVEMENTS OFFSHORE THE U.K.

OPERATOR	RIG	BLOCK	OPERATOR	RIG	BLOCK
Amoco	Sedco 135F	211/27-6	Occidental	Ocean Victory	Piper
Amoco	Sedco 135G	29/18-1	Occidental	Borgny Dolphin	Piper
BP	Sedco 703	211/12-3	Phillips	Ocean Rover	15/27-1
BP	Sea Quest	23/26-1	Placid	Venture 1	29/2-1 (sidetrack)
Burmah	Deep Sea Saga	211/18-11	Shell	Ocean Voyager	14/24-2
Burmah	Gulf Tide	47/14A-4	Shell	Sedco 700	211/23-5
Chevron	Ocean Kokuei	3/7-1	Shell	Stadrill	211/21-5
Conoco	Britannia	49/12FD3	Siebens	Western Pacesetter	2/10-3
Conoco	Norjarl	9/19-2	Texaco	Sedneth 701	14/20-5
Conoco	Dundee Kingsnorth	29/19-2	Texaco	Zephyr 1	15/16-6
Conoco	Pentagone 82	211/28-6	Texaco	Drillmaster	15/16-7
Home	Odin Drill	21/7-2	Trans Ocean	Penrod 71	16/26-1
Mobil	Sedco 704	9/13-12			

U.K. NORTH SEA OIL PRODUCTION

(m. tons)

	Proven Fields	Possible New Finds
1976	17.5	—
1977	38	—
1978	64	—
1979	85	90
1980	105	130
1981	110	150
1982	110	165
1983	108	175
1984	105	180
1985	98	180
1990	40	115

Source: Henley Centre for Forecasting

TENNIS BY JOHN BAR

U.K. Davis Cup looks for decisive victory in Zurich

BRITAIN'S 1976 Davis Cup campaign begins to-morrow afternoon on the lightning-fast indoor court at the Sporthallen Stadium in Zurich. A decisive victory could set the team on a winning path towards the latter stages of the competition for the first time since 1969.

If the modest Swiss team is soundly beaten, as I expect, then there is the prospect of two grass court ties in England, against Romania and probably France.

However, Davis Cup matches have a habit of producing the unexpected, so that even with the same team that last year came within one point of defeating the powerful Spaniards on the red dust of Barcelona's Real Club, victory this week-end will have to be earned.

Buster Mottram, who will surely be asked to shoulder the main responsibility when the draw is announced to-day, is emerging as a player of considerable stature, even if the streaks of uncertainty that marred his recent King's Cup performances are still in evidence.

For the second singles place, Britain's team manager, Paul Hutchins, who assumes the role as captain following the resignation of Hedley Baxter earlier this year, will have a difficult choice between Roger Taylor, ranked No. 3 nationally, and John Lloyd, ranked No. 4.

Disappointing

After a quiet winter in Portugal, where he now lives in tax exile, Taylor—short of match play—performed disappointingly in the King's Cup matches. Since then, however, he has reached the final of the Malta tournament, where he lost in the final to the Brazilian Thomas Koch, who had claimed Lloyd as a victim in the opening round.

Taylor looks altogether tighter and more confident now, and Hutchins will also have the memory of Taylor's brave failure last year against Orantes to remind him that there is no substitute for Davis Cup experience —something which Lloyd lacks.

The younger man's form towards the end of the King's Cup campaign means that he will soon take on the No. 1 mantle—but not yet, I fancy. On to-morrow's fast surface I would still prefer Taylor's lethal left-handed serve to Lloyd's rather lighter delivery.

All this is to disc
ing value of the
member, John Fea
made a good start
by reaching the
Egyptian champions
and then winning
qualifying matches
Valencia tourname
beat Sweden's Rolf
the difficult Spa
Gimenez. The latt
who beat Lloyd in
match of the King
in Sunderland.

Too fast

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Cup competitions,
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If the British me
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Pilot err caused c

By Michael Donne

THE CRASH of a
Blackhawk Helicop
borough air show
1974, was due to
report by the D
Trade's Accidents
Branch says to-da

The aircraft was
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ground, killing the
commander died in
No-one else was in

The report says
mander failed to
had adequate heigh
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APPOINTMENTS

Chubb & Son executive posts

CHUBB AND SON has made the following group appointments. Mr. R. J. Pilgrim, managing director, Chubb Security Services; Mr. W. G. Bannochie, deputy managing *director, Chubb and Sons Lock* and Safe Company; Mr. K. M. Banks, deputy managing director, Chubb Alarms Group; Mr. R. A. Chapman, marketing director, Chubb Fire Security; and Mr. T. R. Hansell, home sales director, Chubb and Sons Lock and Safe Company.

★

Commander E. H. W. Platt, a director and assistant general *manager (technical) of the BP* TANKER COMPANY, is retiring on June 30 after 19 years with the BP Group

★

Dr. Frederick Stugard has been *appointed a director of CHART*ERHALL FINANCE HOLDINGS.

★

Mr. D. Mackin, managing director of the BRD Company, has been appointed to the Board of GKN TRANSMISSIONS *in succes*sion to Mr. O. D. Jones, who is retiring from the group.

★

Mr. Bernard Green has been appointed financial director of HARRISON AND SONS. *He was* previously group chief accountant.

★

Mr. D. M. Saunders is joining LONDON MULTINATIONAL BANK *as industrial adviser from* April 5.

★

Mr. W. McCraith has been appointed group managing director of LAURENCE SCOTT and succeeds *Mr. J. B. Wormall* who has retired from all executive duties in the group. Mr. McCraith continues as managing director of the subsidiary Laurence Scott and Electromotors.

★

Mr. K. W. Barker has been appointed a director of WARDLEY, a subsidiary of the Hongkong and Shanghai Banking Corporation.

★

Mr. J. G. Harris, at present a general manager's assistant, MIDLAND BANK, has been appointed an assistant general manager.

★

Mr. R. T. Foster and Mr. J. R. E. Russell-Stracey have joined the partnership of VANDERFELT AND CO., stockbrokers. Mr. *J. C. W. A. Caulcutt has ceased* to be a partner but continues as an associated member.

★

Mr. S. H. Barber has been appointed general manager, BP-CALIFORNIA U.K. GROUP, succeeding Mr. A. A. Banks, who has transferred to OROBIS as managing director (designate). Mr Barber joins BP-CALIFORNIA from BP Trading.

★

Mr R. G. Nightingale has been appointed director of property investment of the PROPERTY *UNIT TRUSTS GROUP from April* 5

★

Mr. D. F. Hoy has been appointed managing director of GUINNESS SUPERLATIVES. He succeeds Mr. Norris McWhirter, who remains on the Board as an executive director and continues as compiler and editor of the Guinness Book of Records and its *various foreign language versions.*

★

On the retirement of Mr. D. D. Williams, Mr. G. A. H. Watts has become managing director of UNITED TRANSPORT COMPANY. Mr. A. W. Kent and Mr. J. R. Le Ferre have been made joint managing directors of United Transport Overseas.

★

Mr. Clive Morton has been appointed managing director of GEI PACKAGING MACHINERY. He was previously director and general manager of Tillotsons (Liverpool).

★

Mr. A. F. Tuke, chairman of Barclays Bank has been elected chairman of the COMMITTEE OF LONDON CLEARING BANKERS for the ensuing year. Lord Arm*strong of Sanderstead, chairman* of Midland Bank, has been elected deputy chairman. Mr. C. J. Montgomery, director and chief general manager of Lloyds Bank, has been elected chairman of the Chief Executive Officers' Committee of the London Clearing Banks. Mr. Tuke succeeds Sir John Prideaux who has been chairman of the Committee of London Clearing Bankers for the past two years. Mr Montgomery succeeds Mr. D. V. Weyer as chairman of the Chief Executive Officers' Committee.

★

Mr. Miles A. Kulukundis has been appointed deputy managing director of LONDON AND OVERSEAS FREIGHTERS from next month.

★

Mr. Quinton Hazell, former chairman of EDWARD JONES (CONTRACTORS) has retired from the Board.

★

Mr. A. G. Shaw has been appointed a director of C. ROWBOTHAM AND SONS (MANAGEMENT), a member of the Ingram Group.

★

Mr. A. H. Pope has been *appointed director of the aviation* division of DUNLOP at Coventry. He takes over the full responsibilities for the division from Mr. Charles Bayly, who is to undertake a special assignment for the *company in overseas aviation* markets prior to his retirement later this year.

★

Mr. Christopher Haviland has been appointed to the Board of N. M. ROTHSCHILD AND SONS.

★

Mr. Philip Cater has become senior executive director of the MARINE NAVIGATION COMPANY.

★

Mr. E. Yale has been appointed sales director of COMPAIR INDUSTRIAL.

★

Mr. William Barrett has been appointed director-designate of the RADIO AND ELECTRONIC COMPONENT MANUFACTURERS FEDERATION and will succeed the present director, Mr. Arnold Boutley, who retires on May 6 after more than 30 years with the federation. Mr. Barrett has been director of the Scientific Instrument Manufacturers Association for the past five years and also acting director of the British Industrial Measuring and Control Apparatus Manufacturers Association since 1974.

★

Mr. Bernard F. Harty, at present chief finance officer for Bradford Metropolitan Council, is to be Oxfordshire county treasurer. He will succeed Mr. William Davison, who is to retire at the end of June.

★

Mr. L. A. Gaskin, who retires to-day as secretary of the EXPORT PACKING SERVICE GROUP, has been appointed a non-executive member of the main Board. Mr. C. J. Nunn has been appointed to succeed Mr. Gaskin as secretary.

★

Mr. D. H. L. Hopkinson has given up the post of joint managing director of M & G INVESTMENT MANAGEMENT, but remains chairman. Mr. L. R. Linaker becomes sole managing director.

★

Mr. J. S. Wetherall has been appointed managing director of WALLACE BROTHERS BANK *(JERSEY) on the retirement of* Mr. B. D. Larbalestier, who remains on the Board.

Wiggins Teape group finance director

Mr. L. E. Swallow, group finance director, has retired as a director of WIGGINS TEAPE and other group companies and from his executive appointments. Mr. R. V. Olsen, has assumed responsibility *for the whole of group finance* division with the title of group financial director.

★

Mr. A. J. W. Merrett, a non-executive director since May, 1975, has been elected chairman of E. C. CASES in succession to Mr. W. C. Porter, who has resigned owing to outside commitments, but who remains a non-executive director.

★

Mr. Peter H. Price has been appointed chief executive and a director of GLIKSTEN DOORS, part of International Timber Corporation. Mr. Tom Fawcett, who has headed International Timber's R and D department for six years, has been appointed to the Gliksten Doors Board.

★

Mr. R. M. D. Dunston is to retire from his post as chairman of RICHARD DUNSTON INDUSTRIES, and from the shipbuilding industry. Mr. Dunston joined the company in 1942 and five years *later became managing director.* On the death of his father in 1958 he became head of the Group. Mr. D. B. Cobb, the present managing director, becomes chairman and managing director *Other appointments are as fol*lows: Mr. F. F. McGuire and Mr. S. F. Langlands join the Board of *Richard Dunston Industries*, the holding company for the Hessle and Thorne shipyards. Mr. P. Aaron and Mr. G. H. Williamson become directors of Richard Dunston, Thorne shipyard.

★

Mr. M. C. Abbott, deputy chairman of DRAKE AND CUBITT HOLDINGS, has been appointed chairman of the group in succession to Mr. P. A. Hannen, who has retired from the main Board.

★

Mr. J. G. Beevor, chairman of TILBURY CONTRACTING GROUP, will retire from the Board after the annual meeting on May 26. Mr P. Edge-Partington has been nominated to succeed him as chairman.

★

H. C. JANES a member of the Barratt Developments Group, has appointed Mr. R. C. Janes as chairman of the company and of all subsidiaries following the retirement of Mr. L. B. Sell.

★

Mr. S. J. S. Eley has been appointed a non-executive director of HORACE CORY AND CO. in place of Mr. P. S. Elliston, who has retired. Mr. F. B. Mortimer-Ford has become joint managing director.

★

Mr. Goodwin Clark has been appointed resident allstate director of the FEDERATED INSURANCE COMPANY. He succeeds *Mr. Howard Lamb, who is return*ing to America for personal reasons.

[illegible] الأصل

[AP]POINTMENTS

Pressure growing on Midland over SA loans

By Michael Blanden

THE PRESSURE on Midland Bank over loans to South Africa expected at next week's annual general meeting has gained further backing, it was stated yesterday.

A resolution calling for the bank to make no further loans to the South African Government is to come up at the AGM, backed by the Central Finance Board of the Methodist Church and by an organisation known as End Loans to Southern Africa. The Church Commissioners have also indicated that they are prepared to vote for the resolution.

Yesterday it was stated that the West Midlands County Council and the London Borough of Camden would back the resolution, while the Greater London Council was expected to consider the issue at a special meeting on Tuesday.

The organisation now thinks it can muster 1½m. votes at the AGM. While this would represent only a small proportion of the total, representatives of the ELTSA organisation said they would count it a success if they got 3 per cent. of the vote.

Beswick backs Varley on new aircraft ventures

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LORD BESWICK, chairman of the British Aerospace Organising Committee, has made it clear to the industry that the planning of new ventures does not have to wait until nationalisation has been accomplished. Companies are free to make proposals as they wish.

This confirms the line taken by Mr. Eric Varley, Secretary for Industry, in a recent letter to Mr. Michael Heseltine, Opposition spokesman on industry, pointing out that the Government would be "very willing to consider such proposals in advance of vesting day."

Lord Beswick is emphasising the point because of the concern he shares with the industry's leaders that the U.K., both individually and as a partner in any future European aerospace consortium, should not be left behind by new U.S. developments, especially in the civil field.

There are increasing signs that the world's airlines are moving out of recession, especially in the U.S. As a result, there is a growing belief that the big aerospace companies in the U.S. and on the Continent may take decisions on new ventures earlier than at one time seemed likely.

Both Dassault and Aérospatiale of France, for example, are about to submit reports to the French Government on the possibilities of collaboration on new civil ventures with, respectively, McDonnell Douglas and Boeing of the U.S. These are to be discussed at an important meeting between French industry and Government in early June.

Some concern has been expressed in the U.K. and elsewhere in Europe that any such Franco-American collaboration could clash with plans for a new European medium-range civil aircraft now being studied by the "Group of Seven," which in addition to Dassault and Aérospatiale includes British Aircraft Corporation, Hawker Siddeley, Messerschmitt, VFW-Fokker and Dornier.

In order to clarify the U.K. industry's own attitudes to future ventures and collaboration, Lord Beswick is hoping to hold a "strategy meeting" soon with senior executives of the four companies to be nationalised—the BAC, Hawker Siddeley Aviation, Scottish Aviation and Hawker Siddeley Dynamics.

The BAC, for example, has ideas for a short-medium haul One-Eleven derivative, the Series 700, while Hawker Siddeley has similar ideas with its Trident 4 design and still has the short-haul HS-146 feeder-liner in reserve.

Under a single State-owned British Aerospace Corporation, some of these ideas will have to be sacrificed, especially if the U.K. participates in a wider European 200-seat medium-range airliner programme as well.

Lord Beswick believes, along with many in the industry, that the next "re-equipment tide"—expected to flow through the world's airlines over the next three years or so—could settle their requirements for many years to come.

It is therefore vital that the U.K. is in a position to state clearly just what it is able and wanting to do in meeting that demand, either unilaterally or in co-operation with other countries.

It is not yet clear when the first appointments to the British Aerospace Organising Committee will be announced, but many discussions have been held in recent weeks. The first names may be published in April.

European Court hears National Carbonising–NCB dispute

BY A. H. HERMANN

THE DISPUTE between the National Carbonising Company and the National Coal Board moved a step further yesterday when the European Court in Luxembourg heard the company's complaint against the EEC Commission's stand in this matter. *The decision of the court* is expected before or shortly after Easter.

The company asked the court for damages and annulment of a decision allegedly contained in the Commission's letter to it on October 16 last year, and to order the Commission to act against the NCB under Article 66/7 of the Treaty of Paris. This provides that if a private or public enterprise of the coal or steel sector uses its market dominance in a manner contrary to the objectives of the Treaty, the Commission should make recommendations designed to stop such abuse.

If its recommendations are not implemented the Commission, in consultation with the Government concerned, can order specific measures, such as price changes and deliveries, and enforce them by fines.

The EEC Commission submitted that the court should reject the complaint as without cause. It said its letter was not a decision and that appeal to the European Court under the European Coal and Steel Treaty provisions was possible only against decisions, and not against communications, of the Commission.

The letter was an answer to a complaint to the Commission by the company alleging that the company, which supplied 9 per cent. of the U.K. market in smokeless fuel, was being squeezed out of existence by having to pay the NCB an increased price for coking coal while the retail prices of its product were kept low by the NCB.

BANK RETURN

	Wednesday Mar. 31 1976	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	25,401,950	+ 3,235,308
Special Deposits	965,290,000	—
Bankers	348,387,363	+ 31,706,001
Reserves & Other Accs.	464,851,639	+ 8,226,189
	1,824,483,852	+ 43,166,498
ASSETS		
Govt. Securities	1,469,896,480	+ 86,246,000
Advance & Other Accs.	260,513,128	— 39,826,440
Premises, Equip't & other Secs.	81,069,462	+ 159,808
Notes	22,937,946	+ 14,666,481
Coin	366,837	+ 18,646
	1,824,483,852	+ 43,166,498
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,175,000,000	+ 50,000,000
In Circulation	6,152,062,055	+ 35,443,519
In Bank'g Dept.	22,937,946	+ 14,566,421
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	6,511,333,021	+ 139,893,813
Other Securities	652,651,879	— 89,893,813
	6,175,000,000	+ 50,000,000

News at Ten . . . or whenever

BY ARTHUR SANDLES

SENIOR EXECUTIVES within commercial television are arguing fiercely over whether or not ITV's News at Ten should be moved to an earlier slot and become News at Nine. On one side stand the programme controllers, the most powerful group in the industry, and on the other Independent Television News itself, which is steadfastly opposed to such a change.

The controllers, the men who decide the pattern of commercial TV in Britain, do not like the way in which News at Ten psychologically ends the ITV day and would prefer to see the main ITV news in full frontal competition with the BBC's revamped nine o'clock newscast.

ITN, on the other hand, argues that news is too valuable a commodity with which to play programming games. It says that the extra hour gives it more time to have a professional edge over the BBC. It has also asked the Annan Committee on the Future of Broadcasting to recommend longer news time—at Ten. This suggestion upset the controllers.

ITN is a separate company, owned on a co-operative basis by the 15 contracting companies but left with considerable independence—an independence fostered by the Independent Broadcasting Authority.

Courses for school-leavers

EXPERIMENTS will start this autumn with two-year courses intended to equip "failed" school-leavers for success in the working world.

The courses, planned by the Inner London Education Authority, will emphasise *numerical and communication* skills and include vocational guidance.

For the first year the 15 to 16-year-olds will study in school, but the second year of the course will take place in colleges of further education.

FINANCIAL TIMES REPORT

Friday, April 2 1976

HEATING and VENTILATING

The prospects this year are for a decline in activity, as the industry expects that there will be little recovery in demand before 19[7]

Upturn likely to be delayed

By Kenneth Gooding
Industrial Correspondent

THE HEATING and ventilating industry has traditionally been affected lately by periods of recession and has also been among the last industries to emerge from the gloom once the upturn takes effect. So, although U.K. industry generally believes the bottom of the trough in demand was reached at about the end of last year, the heating and ventilating companies fear that things might get worse before they start getting better.

For example, the Heating and Ventilating Contractors' Association told members recently that they must be prepared for a decline in activity throughout 1976. All the indications are that recovery "is likely to be slow and cannot be expected before 1977."

The HVCA based its remarks on a "state of trade" inquiry among members. From this inquiry it could be deduced that the overall volume of output in 1976 may not decline greatly from the 1975 levels. At the same time, however, the prospects are for a steady decline in operating capacity as the year goes on. This can be illustrated by the fact that last December 62 per cent. of the respondents were operating at *full or almost full capacity; by* June this year only 46 per cent. of them expect to be in that position; and 46 per cent. are forecasting that by December they will be operating at 50 per cent. or less of capacity.

Taking this state of trade inquiry into account with other factors, the HVCA comments: "Having to a large extent lived off its fat for the past two years, the industry is facing a sharpish downturn."

The inquiry was based on replies from 119 HVCA members which might seem a small sample. But the companies concerned accounted for around 80 per cent. of total employment by the heating and ventilating contracting industry.

For, in the wake of the house and office building boom of four years ago, the number of companies offering heating and ventilating services mushroomed. A handful of men with very little capital and a few relatively inexpensive tools could set up as installers of central heating systems, for example. And among the HVCA members who replied to the state of trade survey, 62 were employing fewer than 25 people while only nine had more than 500 on the books. The association's list of "national contractors" runs to only 15 names.

As for the manufacturers of heating and ventilating equipment, their current situation *was summed up by a recent* mechanical engineering "Little Neddy" short-term-trends report which suggested that demand had now "bottomed out" and "a gradual recovery should begin in the latter half of 1976, picking up strongly in the spring of 1977."

Volume

Manufacturers of air conditioning equipment expect to maintain their sales volume in 1976 at near to the 1975 levels but with a strong increase likely early in 1977. The prospects are similar for ventilating equipment.

Makers of central heating systems report that the domestic market for central heating appears to be picking up slightly with demand for boilers, circulators and controls slightly increased. An increase of perhaps 10 per cent. in sales volume in 1976 compared with 1975 is forecast.

The "Little Neddy" report also noted "it appeared that with spending on consumer durables depressed there is a tendency to improve property, including the installation of new or improved central heating systems."

Companies already well established in export markets, including the Middle East where market entry barriers are difficult to surmount for newcomers, are expecting an increase in exports of heating and ventilating equipment of between 10 and 15 per cent. Japan and South Africa are also providing useful markets outside the U.K. for this type of equipment.

In the U.K. both manufacturers and contractors are heavily dependent on the building and construction industries to provide them with demand. And the building industry has been experiencing what is widely considered to be the worst recession in 50 years. Last year output was 6 per cent. below the 1974 level which was itself 10 per cent. down on 1973.

According to the Department of Environment statistics, new orders received by building contractors in the past few weeks of last year had fallen off sharply so the volume of building work in 1976 is expected to be about 2 per cent. down on last year.

This downturn is going to be aggravated by the cuts in public expenditure which are bound to fall heavily on certain programmes with an important heating and ventilating content such as schools and hospitals.

The school building programme will be badly hit for some time to come and, while *the National Health Service* suffered least from the proposed cutbacks, only a week or two ago Mrs. Barbara Castle, Secretary for Social Services, emphasised that the NHS resources must be aimed in the immediate future at "people rather than buildings."

Repairs and maintenance is usually a resilient part of the building sector but some reduction in activity even here must be expected in 1976 and there is little likelihood of improvement until next year.

The effect of the recession on employment in the heating and ventilating industries has not been too dramatic up to now. Indeed, along with many other parts of mechanical engineering, there are still some shortages of skilled men. For example, the HVCA "state of trade" report noted that, while all the skilled labour including advanced fitters and fitter-welders seem to be "more readily available," refrigeration mechanics and air conditioning technicians "remain difficult to recruit."

Where there has been a serious impact on employment is in the training area. Many trainees have not been able to complete their courses because their employer companies (usually small) have gone out of business.

Certainly the recession has spotlighted once again the lack of profitability and return on capital among contractors in particular. A survey at the beginning of the year by the HVCA showed that the industry's average profits were well below 3 per cent. of turnover and "there is little sign of revival."

In recent months this problem has been aggravated by the fall in new orders, unavoidable delays in large building projects and a general deterioration in liquidity and cash flow. The HVCA urged members in this context to make a realistic provision for inflation in their estimates. Sales of heating and ventilating equipment did not do too badly in 1975, reflecting that *the full impact of the recession* was still to be felt.

Space heating equipment sales at £115m. compared with the £98m. in 1974 and £101m. for the year before that. Ventilating equipment sales at £50m. also showed an improvement from 1974's £44m. and the £34m. in 1973. Air conditioning equipment sales progressed from £60m. to £74m. to £93m. over the years 1973, 1974 and 1975 respectively. While refrigeration equipment sales moved up from £65m. to £81m. and to £84m. over the same years.

When inflation is taken into account this shows there must have been a fall in volume. But within that volume fall some have suffered more than others. Myson, for example, as the U.K.'s biggest manufacturer of space heating, ventilation and air conditioning equipment says that it has benefited from the *switch away from* electric central heating system, which did well in the 1960s thanks to artificially depressed pricing policies and strong markets, to the "wet" systems.

And Mr. J. K. Bellamy, sales director of Afos, the Hull concern, says that his company's experience is that "in a depressed market the poorer equipment and the cheaper equipment goes to the wall and the better ranges can stand up to the competition."

Combine

The equipment makers themselves, apart from Myson which is an independent public company, are generally to be found nestling in the bosoms of some larger engineering combine with other products and a bigger capital base to rely on. Among the larger companies, for example, is *Potterton, part of* Birmid Qualcast which paid over £5m. for the business when it was acquired from De La Rue in 1973. Stelrad belongs to Metal Box; Ideal-Standard is the U.K. end of the American-Standard Inc. operations and Woods of Colchester belongs to GEC.

Myson now claims to be the biggest business of its kind in Europe and has a sound marketing organisation to back the manufacturing operations. Last summer it attempted to acquire Sealed Motor Construction, which makes pumps for central heating systems, and was not dismayed when that bid was fought off. Instead Myson bought the water circulating pump division in the U.K. and Europe of the Sundstrand International Corporation of the States.

While the minds of people within the heating and ventilating industry naturally turn first to the immediate problems, there has been some concentration on the more distant future, particularly in the wake of the oil crisis.

The high priority which now has to be given to getting the best out of the fuel used has given an impetus to complete heating, ventilating [and air] conditioning system[s] [...]tion and air condi[tioning] still hardly conside[red] average domestic central heating syste[m] might well change in [...]

The same can be [...] pumps, which can [...] grade heat and raise [...] ture. These are vi[...] tain industrial and [...] applications but are [...] to come into their o[wn] ing until later this ce[ntury] they could be in [...] with direct electr[...] rather than fossil f[uel]

Heat from the sun [...] body or generated [...] machinery can be [...] stored and used, as [...] city Council's IED s[...] Liverpool Daily Post [...] side has shown.

Also among the [...] schemes are those ta[...] from the sun. Bass C[...] the brewing group, h[...] panels in the roofs [...] of pubs to raise the [...] of water in roof tan[ks] is heated further [...] means.

Mr. Bellamy of Af[os] that quite a signific[ant] in the use of solar [...] take place within th[...] or three years as [...] expensive systems c[...] porated to boost [...] heating systems and [...] appear to be a reason [...] of getting your mo[...] *fuel saving within a* [...] period."

However, most pe[...] agree with the Nati[onal] mic Development O[ffice] in its major review o[...] market, said that "I[...] likely that any majo[r] ing schemes will be e[...] viable for housing in the foreseeable futu[re]

Hopes for boos[t] to export sales

WHILE THE continuing fall in the value of the pound may appear to be a sad reflection of steadily falling international confidence in the U.K., it does nevertheless provide—as endless commentators have recently pointed out—a significant fillip for the nation's exporting activities.

In this respect, the heating and ventilating industry in Britain stands as well placed as any major exporting sector to benefit from the competitive advantage which has in recent months built up in the U.K.'s favour. Some of the country's heating, ventilating and air conditioning equipment manufacturers have exported products for years and many now have licensing and manufacturing arrangements in markets spread throughout the world. But no potential trading advantage is being lightly dismissed and in an industry which has always appeared to possess a fair share of the merchanting expertise which put the Great in Britain, *the latest developments in* international currency markets are not being overlooked.

Turnover

Figures for the industry's exporting turnover are difficult to obtain, although there is little doubt that overseas sales have been steadily rising in recent years and the present recession in virtually all forms of construction activity has ensured that even more emphasis is being placed on winning foreign business. Unfortunately, some of the difficulties which the U.K. building industry now faces have been shared in several other major industrialised nations, where heating and ventilating sales could have helped offset the home situation, but there remain several markets where opportunities remain good.

As far as the U.K. manufacturers are concerned, while there are some very large manufacturers heavily engaged in overseas markets, there are many others of a moderate size who are managing to achieve export turnover figures of between £250,000 and £500,000 annually. The heating, ventilating and air conditioning sector covers an immense range of applications, industrial, commercial and domestic, and many companies have built up an expertise and experience in one specialised field. Together, however, they ensure that the U.K. industry has a great deal to offer in types of equipment and plant to suit specific requirements.

British heating and ventilating equipment is known to be reliable, a quality which foreign customers do not necessarily associate with certain other U.K. products, and there is no doubt that manufacturers can capitalise on the traditional ties with many countries which still make buying British a natural preference. Former [...] a result, continue [...] some of the best [...] equipment.

Not all overseas [...] however, necessitate [...] in countries as fa[r] Kenya and Nigeria [...] tunities for substa[ntial] exist in Europe, th[...] petition is naturally intense. In the he[...] penetration can be

CONTINUED ON NEXT PAGE

District heating and its merits

THE CONCEPT of district heating—the provision of heat and hot water to a whole town or urban neighbourhood from a single source—is well established overseas, especially in Scandinavia and West Germany. Yet in Britain it has made little headway.

On the face of it, this is a surprising state of affairs. For, theoretically at least, there should be considerable fuel savings and big gains in cost efficiencies from centralising heat supplies in any one area. At any time, the benefits which would flow from this are obvious; now, with the general realisation over the last few years that current energy sources are very far from infinite and with relatively little progress being made on the development of substitutes (and even nuclear power, at least with present technologies, not the obvious panacea it once seemed to be), energy conservation has become a matter of urgent necessity. In Britain's case, in particular, there is also the question of fuel cost and its significance to the national economy in terms of effect on the balance of payments—a key factor behind the Government's continuing campaign to persuade consumers to cut down on their energy use.

On the Continent, the case for district heating is widely accepted. Some 90 per cent. of the inhabitants of Reykjavik, the Icelandic capital, receive their heat and hot water from district schemes. In Stockholm, 15 per cent. of the 1.2m. population are served in the same way. Other Swedish cities make still more use of district heating.

Garage

Among the most well-known projects are those in Malmo and Vasteras. The Malmo operation, serving a city of 206,000 inhabitants, is linked to 72 per cent. of the area's dwellings (which house around half the population), with hot water running through pipes beneath the roadway from a large underground garage—from which the heating is also controlled—thus ensuring that, even under the coldest conditions, there is always clear access to the garage while the building itself remains warm and dry.

The Vasteras scheme gives 98 per cent. of its 100,000 citizens centralised hot water heating while also, thanks to the system of pipes for the return water flow developed in the 1960s, keeping city centre roads and pavements icefree.

These schemes are all long-standing ones—Reykjavik's began operating in the 1930s—and have proved extremely successful. As a result, something like 85 per cent. of all new housing in the Scandinavian countries is linked to district heating systems, and this includes not only municipal housing (where such developments are obviously easier) but a fair proportion of new private housing, too—in Denmark the figure for private housing is 50 per cent. The same sort of statistics apply to West Germany. There, 85 per cent., again, of all new housing is on district heating systems, including nearly a third of all new privately owned homes.

But in Britain, a very different picture obtains. Only about 7 per cent. of all new housing—and almost all of it local authority development—is being connected to district heating schemes. There may be about 300 such schemes in operation here, but hardly any are of any significant size. And, with one or two exceptions, no more are on the way.

The big exception, of course, is at Nottingham, where a highly ambitious project will mean that more than 6,000 homes, offices and shops, will be linked to a district heating scheme by 1980. It is not only its size which makes Nottingham's scheme stand out in this country. Of especial significance is the fuel to be used—household refuse (though supplementary coal burners will be employed during the winter). With the average household throwing away something like 45 lbs of rubbish a week and the refuse from Nottingham and adjacent areas estimated to have a calorific value equivalent to 40,000 tons of coal, the scope for cost saving as a result of this novel fuel choice is obvious.

And though it might, with some justice, be argued that current and future raw material shortages of all sorts mean that some better use could be made of household refuse than just burning it, the fact is that most local authorities make no use of it at all, merely dumping it into even larger holes in the ground. Any use at all is thus better than none.

None the less, Nottingham's scheme is very much a one-off. By and large, district heating projects are more conventional in their fuels, using oil or coal to fire burners that either produce just hot water or produce both that and electricity.

It is to electricity generation that the proponents of district heating have been looking most eagerly. For the average power station is a very inefficient converter of fuel into power. Well over half the energy released by the burning of oil or coal in a power station is, under normal *conditions, just wasted,* producing excess heat which is, in effect, thrown away—though there are exceptions; London's famous Battersea power station, for example, provides heat and hot water for some nearby housing developments alongside the Thames.

On the Continent most district heating schemes are fed by plant which produces heat only, rather than heat and electricity, but the dual-purpose concept is nonetheless well established there. But the British electricity generating industry has tended to shy away from the idea. In part, this is because of its remit—to produce electricity, and electricity alone, as cheaply as possible. There is no dispute that dual purpose plant means dearer electricity, since it involves raising the temperature of the hot water output of power stations, and this means that less electricity is produced. But *projects overseas* have shown a sort of swings and roundabouts result to be possible — what you lose in economic electricity you gain in the form of economic heat.

Then there is the question of siting. Most power stations in the U.K. are, for environmental reasons, situated well away from centres of population. This makes the transmission of hot water from the station to the town or city a difficult—and expensive — business, though, again, not a wholly impractical one. Stockholm has a scheme which involves the piping of hot water to the city centre from a nuclear reactor plant some 20 miles away.

Success

Certainly, the success of district heating schemes abroad has, to say the least, not gone without notice here. Two years ago, it became apparent that the electricity supply industry was changing its attitude to the subject, with an intensive exchange of ideas with the Swedes and a review of district heating economics by the Electricity Council followed by an examination by area electricity boards throughout the country of potential sites where the demand for heat could be sufficient to justify a joint look with property developers — local authority or private sector—at the feasibility of joint heat-power transmission schemes.

But the results have not been encouraging for those who believe district heating has a great deal to offer. For the key project which resulted from all this was a South of Scotland Electricity Board feasibility study—probably the most comprehensive ever carried out in Britain as far as district heating is concerned—which produced an overwhelming thumbs down for the proposed scheme.

The investigation, carried out in conjunction with an independent firm of consultants, was announced in March last year and concerned the prospects for a district heating scheme in Glasgow based on a power station in the city which was closed that month. On the face of it, the scheme had everything going for it. The power station was in the centre of an area where a good deal of redevelopment was about to take place, so that the choice of heating methods remained to be made, and where the potential heating density was high. Being in the northern part of Britain, it was also an area where the basic climate would appear favourable to district heating—indeed, it shared the same latitude as Malmo, where district heating has proved so successful. Yet, financially, it proved a non-starter.

Nine propositions were studied during the £30,000 exercise. Seven involved the generation of electricity as well as heat. While each of these would have achieved higher thermal efficiencies—between 60 and 66 per cent. — than normally obtained in power stations, none would have proved capable of achieving the 10 per cent. return on capital employed which is the Treasury recommendation for capital projects.

The other two involved heat transmission only. Here, even *higher thermal efficiencies*—around 70 per cent.—would have been obtained, and that 10 per cent. cash return figure could have been achieved—but only by charging domestic consumers (though not necessarily commercial and industrial ones) considerably more than they would normally pay for gas or solid fuel (and possibly oil-fired) heating systems of conventional type.

It was true, the Board found, that the schemes would have saved fuel: 12 per cent. or 45,000 tons of coal a year in the case of a heat only scheme, and 26 per cent. or 100,000 tons of coal a year in the case of a power/heat scheme. But—and it is a big but—against that saving had to be set the different types of fuel any of the district heating options would have to employ. For conventional power stations burn low-grade coal or residual oil fuel, both of which are almost unusable on any large scale by other purchasers. District heating, it reported, could well mean the substitution of higher grade fuels, in demand elsewhere, for these, producing an overall disadvantage.

In summary, the study showed that district heating in the particular (apparently favourable) context studied would have involved a probably higher capital investment than the continuing of traditional heating methods; would have meant all or most customers paying more than under existing heating methods; would have given some savings in energy use; but would have been disadvantageous in terms of the actual types of fuel used.

None the less, these findings do not necessarily invalidate totally the arguments in favour of district heating. The basic difficulties lie with the predictions of long-term fuel costs. Had the Glasgow project gone ahead, it would have been 13 years before it was operating at full load. And it would have been built to function into the 21st century. During those 13 years—let alone the period to the end of the century and beyond—with oil and natural gas already fast running out and nuclear power not, so far, fulfilling the promise it once showed, the cost equations could change a great deal (even given the apparent relative long term availability of coal as a fuel).

Then, too, the 10 per cent. return criterion is an artificial one, waived, in effect if not in deliberate principle, all too frequently where nationalised industry spending elsewhere is concerned. Financial yardsticks which are patently reasonable when strictly commercial spending decisions are being made may not be so at all when it is a matter of energy resources vital to future standards of life (not to mention present and future import bills).

Once again, it comes down to the lack of any clear Government energy policy, providing a situation where planning for the needs of to-morrow's generations has to be done on the basis of what is commercially acceptable to-day despite the fact that all the pointers are to a near-future state of affairs in which this will be seen to be quite irrelevant.

David Walker

Exports

CONTINUED FROM PREVIOUS PAGE

cult, though the prospects for air conditioning sales are far more encouraging, notably in countries like Germany where the concept of domestic air conditioning for instance has caught on far better than in this country.

For U.K. manufacturers who have developed their own range of air conditioning equipment and yet still face a comparatively restricted home sales market, the Middle East has naturally become a big attraction in the past couple of years. In countries like Iran and Saudi Arabia, vast capital expenditure programmes are providing immense opportunities for just about any operation connected with the construction process and heating, and ventilating suppliers are no exception.

But while it might be imagined that Middle East markets might be for air conditioning equipment only, the fact is that demand for heating equipment also is very high. While there may not be any indigenous manufacturers, however, suppliers from throughout the world are now converging on the region and already some of the markets are not as "open" as they were a short while ago. The British have to fight for business against some other nations experienced in the heating and ventilating fields, notably the United States, Germany and France.

British manufacturers are not, apparently, being put off. One of the largest and most comprehensive suppliers of heating and ventilating equipment is Myson, which sells all over the world. Export director Mr. Henry Woods says that exporting opportunities have rarely been better. "The substantial fall in the value of the pound should provide people like us with a wonderful opportunity to increase overseas sales. It is a tremendous lift for anyone in the exporting business and we intend to make as much capital as possible out of the latest developments."

An estimated 20 per cent. of Myson's earnings now come from overseas sales and, apart from direct exports, has licensing agreements in Australia, New Zealand and South Africa.

The company manufacturers and markets a range of equipment from radiators to sophisticated air conditioning. It has had particular success in Middle East markets, areas where it has been established for many years but where expansion is now progressing rapidly, for both heating and air conditioning equipment. Myson is also selling equipment to Eastern bloc countries, such as Bulgaria, Hungary and Poland and anticipates growing sales in such a notoriously difficult market place.

Apart from its licensing arrangements, Myson also has subsidiary trading-cum-local assembly operations in four European countries. *Operations* have recently started in Italy and Germany and the company also has companies in France and Sweden. One or two more similar ventures may be on the way.

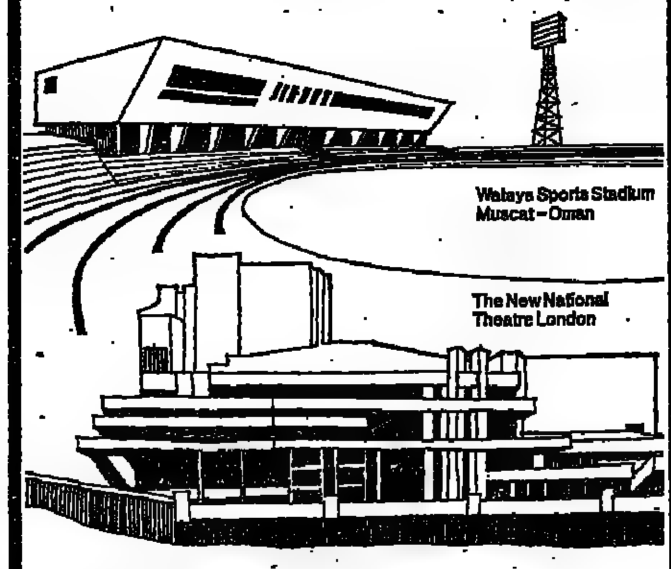
In the heating field, one of the major names in the business is Potterton, which has links throughout the world. Potterton boilers are produced in a wide range, adapted to suit individual markets, whether in Iran or Ireland. The company has distribution subsidiaries in France, Belgium, Holland and Germany and also has a network of 32 overseas agencies to handle its products. The majority of export sales involve gas boilers, although oil and hot water boilers are supplied as well.

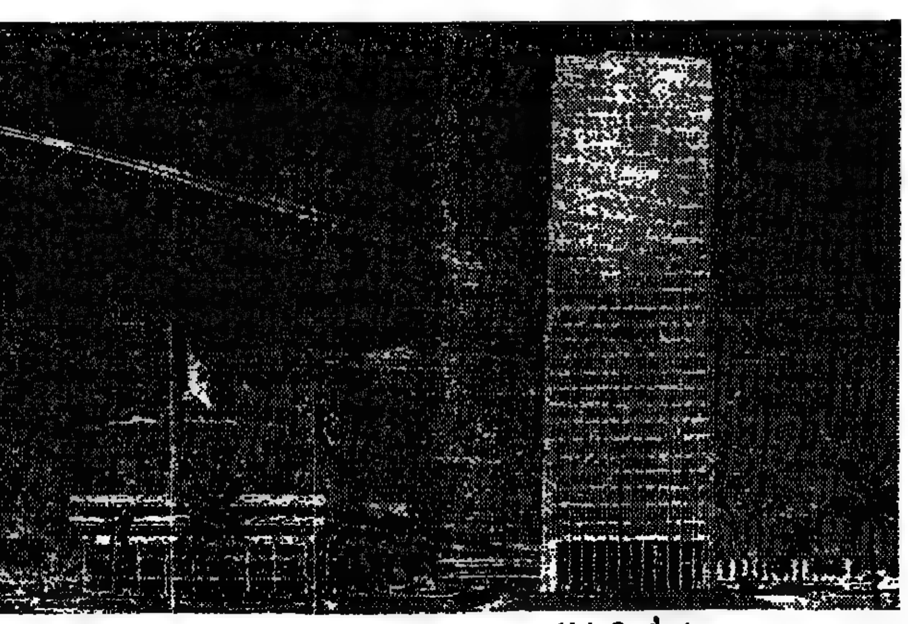
In the industrial air conditioning sector, Woods of Colchester—part of GEC—is another company which has established for itself worldwide sales. The company has subsidiaries in Finland, Norway, Italy, France, Germany and Portugal and has about 120 outlets for its products, thanks to its GEC connections.

At the present time, Woods' sales are split roughly 50-50 between the home and export markets and while its presence in the Middle East is nothing new it is experiencing high sales in the region for its equipment.

For Woods and many other U.K. manufacturers, exporting is nothing new and, as a result, British heating and ventilating equipment is known throughout the world. At one time, the industry's ability to deliver on time raised a few eyebrows but most manufacturers now claim that such problems belong to the past and that they have the ability to provide equipment tailored to the needs of almost any market and on competitive terms.

Michael Cassell





WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index down 5.35 on trucking strike

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 1.

MODERATE LOSSES were recorded on Wall Street to-day, attributed to concern that the nation-wide Trucking strike that began at mid-night will hurt the current economic recovery. The close was above the worst, however.

After falling 7.32 to 992.13, the Dow Jones Industrial Average partially recovered to 994.10, for a net loss of 5.35. The NYSE All Common Index shed 26 cents to $54.54, while declines led advances by 832-to-582. Trading volume expanded 390,000 shares to 17.91m.

The Motor Industry said it would feel effects of the strike by the end of Thursday and close down by the end of next week if it continues.

The one encouraging element in the strike was that negotiations between the Teamsters Union, which represents about 450,000 truckers and freight handlers, and the Trucking Industry were still going on despite the walkout.

Brokers attributed a half-hearted late rally attempt to the report that both sides in the Lebanese Civil War agreed to a cease-fire. However, analysts pointed out that many previous cease-fires in Lebanon have failed.

A small rise in the March Wholesale Price Index had negligible impact on the stock market, although analysts viewed it as favourable because it suggests inflation in the U.S. continues to moderate.

Several major Oils came under aggressive selling pressure after a Senate sub-committee backed a measure that would break up leading Oil Producers.

The action by the Senate Panel would require the Oil firms to sell off their refineries and service stations within five years. The legislation was then sent to the Senate Judiciary Committee for further action.

Standard Oil of California shed $1 to $33, Atlantic Richfield $1¼ to $86¾, *Phillips Petroleum* $1⅞ to $54⅝, and Getty Oil $1 to $159½.

Allied Stores fell $3⅝ to $53 on plans for a 1m. share offering.

General Motors were down $1 to $69¼. Ford $⅞ to $56⅞ and *Chrysler* $⅝ *to* $18⅞.

Xerox dropped $3¾ to $52½—Eastman Kodak, up $⅝ to $119⅞, unveiled its new line of copiers, reinforcing its invasion of the copier-duplicator market by *adding automatic functions to its* high-speed machine.

Avco moved ahead $1¼ to $11⅞ on February quarter net earnings of $1.74 (only 3 cents) per share.

Hanes advanced $2¼ to $23½—it expects to report sharply higher first quarter net earnings.

Beech Aircraft improved $1 to $20⅝—second quarter net rose to a "record for any quarter."

The American SE Market Value Index fell 0.34 to 103.90, while declines led advances by 383 to 240. Turnover amounted to 2.69m. (2.88m.) shares.

National Kinney, the most active issue, shed $¼ to $2 on 353,400 shares.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Xerox	541,600	[illegible]	[illegible]
Norton Simon	[illegible]	[illegible]	[illegible]
Texaco	242,700	[illegible]	[illegible]
Searle. G. D.	221,600	[illegible]	[illegible]
Std. Oil California	[illegible]	33	−1
Avco	162,400	[illegible]	[illegible]
Beatrice Foods	[illegible]	[illegible]	[illegible]
Exxon	145,600	[illegible]	[illegible]
Scott Paper	144,100	[illegible]	—
General Motors	136,700	[illegible]	−1

OTHER MARKETS

Canada up again

Canadian stock markets generally gained further ground in *light trading yesterday.*

The Industrial Share Index rose 0.68 to 189.50, Golds 1.61 to 287.68, Utilities 0.47 to 138.65, Banks 5.33 to 242.01 and Papers 0.18 to 124.59. But Base Metals *lost 0.23 to 89.92* and Western Oils shed 0.08 to 216.38.

Canadian Imperial Bank put on $1 to $28½, Bank of Nova Scotia gained $⅞ to $39½ and Royal Bank added $⅝ at $28¼.

Bow Valley *Industries* ended $1¼ higher at $19⅞.

Hugh Russel lost $⅛ to $12 on 80,400 shares, including a block of 80,000 shares at $12.

PARIS—Mixed in very calm *trading.*

Banks rose following the increase in base rate. But other Financials, Foods, Engineerings and Chemicals fell, while Stores, Electricals and Constructions were mixed.

BRUSSELS—Lower in very quiet trading.

Hainaut Sambre lost Frs.35 to Frs.2,300 in lower Steels. Asturienne dropped Frs.30 to Frs.1,530 in lower metals, and Petrofina dipped Frs.40 to Frs.5,600 in mixed Oils.

Interbrabant gained Frs.40 to Frs.1,450 in higher Electricities, and Tessenderloo rose Frs.124 to Frs.1,294 in improved Chemicals.

AMSTERDAM — Mixed trend. Dutch Internationals eased, although Philips held unchanged *and Akzo were firmer.*

Plantations, Transportations, Banks and most Insurances firmed. Elsevier were lifted Fls.10 to Fls.510. HAL moved up after announcing it expects a "small" 1975 loss.

GERMANY—Weaker in featureless trading, with buying interest dampened by uncertainty in the Foreign Exchange Markets.

Trading volume was cut by uncertainty as to whether Deutsche Bundesbank would announce a credit policy change following a meeting of the Bundesbank Central Bank Council. In the event, no decisions emerged from the meeting. The Deutsche mark's rise against the dollar muffled buying interest.

Chemicals and Electricals were little changed, but Degussa lost DM0.70 on lower 1974-75 net profits. Linde dipped DM1.5, despite expected satisfactory results for 1976.

Motors and Engineerings mostly eased, while Banks and Steels were mixed.

Public Bonds lost up to DM0.35 in quiet trading, while Mark Foreign Loans were little changed.

SWITZERLAND—Mixed in a *moderate turnover.*

Swissair recouped Frs.4 of its recent sharp loss. Bankverein Rights traded for the first time at Frs.26.

Insurances generally posted *small gains.*

Among mixed Foods, Hero were depressed while Rox firmed. Stores were irregular.

State Bonds were quietly steady.

*Dollar stocks and Dutch Inter*nationals were maintained, while Germans were barely steady.

VIENNA—generally maintained.

MILAN—Prices dropped an average two per cent. in active trading, following the negative economic picture and new austerity measures foretold by the Italian Budget Minister.

Also negative results and lower dividends posted by some "big" companies contributed to the general decline.

OSLO—Banks and Insurances were barely steady. Shipping irregular, while Industrials were quiet.

COPENHAGEN—Mixed in moderate trading. Commodities and Shippings higher.

HONG KONG — Lower in decreased trading.

Hong Kong Bank were down 30 cents to $HK21.30, Hong Kong Land 10 cents to $HK8.35, Hutchison 12½ cents to $HK3.05, Jardine 20 cents to $HK26.90, and Hong Kong and Kowloon Wharf 20 cents to $HK17.60.

TOKYO—Mostly lower in the absence of encouraging factors. Volume 260m. (140m.) shares.

Electricals, Motors and some Blue Chips eased on profit-taking and other selling.

Trading Houses, Petroleums, Steels and Shipbuildings also eased.

AUSTRALIA — Markets recovered slightly in quiet trading.

Utah jumped 15 cents to 3.05 *cents on the approval of the* Norwich Park coal project in Central Queensland. Robe River were up 1 cent at 96 cents, after rising to 99 cents following a report that Bond Corporation accepted the Burns Philp/Engelhard bid.

Pancontinental rose 80 cents to $A10.90 and Queensland Mines 6 cents to $A2.50.

JOHANNESBURG—Gold shares were lower following the increased Surcharge and Loan Levy proposed in yesterday's Budget. Heavy selling was noted on London account.

"Smaller" and "medium" priced shares lost 10 to 20 cents, while "higher" priced issues lost from 25 cents to $1.50.

Industrials turned softer after initial firmness.

Indices

NEW YORK—DOW JONES

	April 1	Mar. 31	Mar. 30	Mar. 29	Mar. 26	Mar. 25	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	994.10	999.45	992.15	997.40	1003.46	1002.15	1,009.21 (24/3)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.82	72.88	72.64	72.67	72.58	72.55	72.86 (31/3)	68.11 (2/1)	—	—
Transport	208.90	207.97	207.54	208.57	208.92	208.38	211.51 (11/3)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.28	87.56	87.14	87.48	87.50	87.36	91.60 (4/2)	84.84 (2/1)	[illegible] (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	17,916	17,520	17,930	19,160	15,510	22,310	—	—	—	—

	Mar. 26	Mar. 19	Mar. 12	Year ago (approx.)
Ind. div. yield %	3.68	3.76	3.74	6.01

STANDARD AND POORS

	April 1	Mar. 31	Mar. 30	Mar. 29	Mar. 26	Mar. 25	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
♦Industrials	116.95	118.68	114.80	115.27	115.82	115.65	116.67 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
♦Composite	102.24	102.77	102.01	102.41	102.85	102.85	103.42 (24/3)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	April 1	Mar. 24	Mar. 17	Year ago (approx.)
Ind. div. yield %	3.98	[illegible]	3.68	4.12
Ind. P/E Ratio	13.92	14.04	13.66	9.40
Long Govt. Bond yield	5.88	5.87	5.78	6.16

N.Y. S.E. ALL COMMON

April 1	Mar. 31	Mar. 30	Mar. 29	1976 High	1976 Low
54.54	54.80	[illegible]	54.84	55.15 (24/3/76)	57.86 (2/1/75)

Rises and Falls April 1. Issues Traded—1,834 Up—582 Down—832 Same—420 New Highs—58 New Lows—18

		April 1	Mar. 31	Mar. 30	Mar. 29	1976 High		1976 Low	
MONTREAL	Industrial	200.72	201.24	201.16	202.06	205.67	(24/2)	179.68	(2/1)
	Combined	192.40	192.15	192.01	193.15	199.07	(24/2)	173.97	(2/1)
TORONTO	Industrial	189.00	189.12	189.26	189.95	197.45	(20/2)	178.81	(2/1)
JOHANNESBURG	Gold	185.8	185.5	192.8	—	226.7	(13/3)	186.6	(1/4)
	Industrials	199.8	205.4	198.7	—	212.6	(8/1)	[illegible]	(6/3)

	April 1	Previous	1976 High	1976 Low
Australia (a)	460.38	454.48	472.91 (12/3)	445.32 (5/1)
Belgium (b)	107.30	107.20	115.18 (5/2)	104.64 (5/1)
Denmark (c)	102.79	102.39	107.79 (27/1)	100.20 (10.3)
France (e)	70.6	70.4	74.3 (3/3)	69.1 (26/1)
Germany† (f)	805.9	809.1	821.7 (17/3)	756.0 (23/1)
Holland (g)	100.9	100.4	106.3 (6/2)	[illegible] (29/1)
Hongkong (h)	449.03	455.78	465.53 (17/3)	364.65 (2/1)
Italy (k)	79.58	80.59	91.37 (23/2)	79.24 (1/4)
Japan (m)	335.42	340.55	344.51 (24/3)	326.28 (5/1)
Singapore (n)	254.61	256.64	288.18 (5/2)	236.30 (2/1)
Spain (p)	88.43	84.60	89.65 (2/1)	83.43 (1/4)
Sweden (q)	434.38	433.74	434.38 (1/4)	395.56 (19/1)
Switz'rl'd (r)	299.9	300.5	308.6 (12/3)	285.6 (8/1)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. † Excluding bonds. ♦ 425 industrials. † 425 Inds., 50 Utilities and 25 Rails.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—106⅞% (105¼%).

NEW YORK

CANADA

GERMANY ♦

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

TOKYO †

SWITZERLAND ♦

STOCKHOLM

COPENHAGEN

VIENNA

OSLO

AUSTRALIA

JOHANNESBURG

SPAIN ♥

Pound at new low

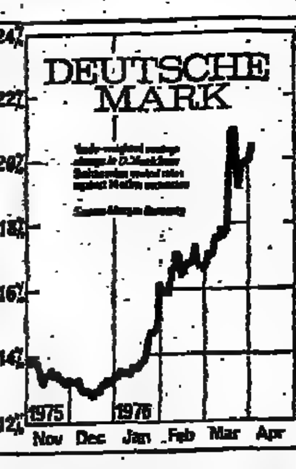
Sterling fell to its lowest ever level against the U.S. dollar and major currencies in general yesterday, after several days when the pound has looked somewhat nervous in relatively thin trading. Business was more active yesterday however and sterling came under pressure fairly early, but market sources suggested that the Bank of England did little more than steady the fall over most of the day. The pound opened at $1.9150-1.9160 and touched a lowest ever point of $1.8800-1.8810, before closing at $1.8835-1.8845, a fall of 3.20 cents on the day. The Bank of England's calculation of sterling's trade-weighted depreciation fell to a record level of 35.3 per cent. at the close, after standing at 34.8 per cent. at noon and 34.1 per cent. in early dealings.

Several factors may account for the present weakness, including concern over labour relations at British Leyland and rumours of selling of sterling by a Middle East oil producer, with Nigeria also mentioned as a possible source of the selling. Towards the close however selling orders for sterling were apparent from many centres.

Forward sterling was also weaker, with the discount on the three-month pound against the dollar widening to 2.35 cent. premium from 2.05 cent premium on Wednesday.

The dollar's trade-weighted average depreciation, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 2.12 per cent. from 2.17 per cent.

Gold fell $¾ to $128½-129½ in moderate trading. The krugerrand finished at $132½-134¼ (£70½-71¼) and its premium over the gold content widened to 3.49 per cent. from 2.89 per cent. in the domestic market, and narrowed to 3.11 per cent. from 3.47 per cent. for international delivery.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	April 1	Mar. 31
Sterling	0.608776	0.603607
U.S. dollar	1.15837	1.15633
Belgian franc	44.9799	45.1547
Deutsche mark	2.91985	[illegible]
French franc	5.40776	5.39890
Italian lira	972.767	971.686
Japanese yen	346.448	346.562
Dutch guilder	[illegible]	[illegible]
Swedish krona	5.08919	5.08843
Swiss franc	[illegible]	2.93453

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

April 1.	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.627-28	5.80-90	6.48-49	4.75-78	94.10-20	99.60-100.0
N. York	38.56-58	—	21.35-38	2.5760-75	1.8845-8855	37.26-28	39.80-82
Paris	176.075-475	4.6715-6815	—	12.02-046	8.79¾-81¾	174.225-625	185.175-575
Brussels	15.40-43	38.91-94	8.31-33	—	73.34-48	14.49-52	15.40-44
London	4.76-77	1.8835-45	8.81-82	73.10-30	—	5.05¾-06¼	4.75½-76¼
Am'erd'm	106.205-255	2.6827-52	57.35-40	6.894-90¼	5.0465-0515	—	106.265-315
Zurich	99.91-1.2	2.5065-80	53.94-54.0	6.495-505	4.754-760	94.05-15	—

U.S. $ in Montreal. U.S. $=98.36-38 Canadian cents. Canadian $ in New York. C$=101.66-66 U.S. cents. U.S. $ in Milan 840.80-842.00 Sterling in Milan 1582.50-1584.75.

EURO-CURRENCY INTEREST RATES*

April 1 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8¼-8⅝	4⅝-5⅛	8¼-8⅝	3⅛-4	3⅛-4⅛	⅛-⅜
7 days notice	10¾-11⅛	4¾-5¼	[illegible]	3½-4	3⅛-3⅝	⅝-⅞
Month	10¼-10⅝	4⅞-5⅛	8⅝-8⅞	[illegible]	3⅛-3¼	1-1⅛
Three months	10⅝-10¾	5⅛-5⅜	9⅞-10⅛	5-5¼	3⅜-3¾	1⅝-1⅞
Six months	10¾-11⅛	5-5¼	10⅛-10⅜	5¾-4	3⅜-3¾	2⅛-2⅜
One year	11⅛-11⅜	6⅜-7⅛	10⅛-10⅜	4⅝-4⅞	4⅜-4⅝	3⅛-3⅜

Euro-French deposit rate: two-day 10⅜-11¼ per cent.; seven-day 10⅝-11½ per cent.; one month 12¼-13¼ per cent.; three months 11⅞-12⅜ per cent.; six months 11¼-12⅜ per cent.; one year 10½-11 per cent.

Longer-term Eurodollar deposits: two years 7½-8 per cent.; three years 8¼-8½ per cent.; four years 8¼-8½ per cent.; five years 8⅛-8 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5[1]/16-5[5]/16 per cent.; three months 5⅜-5⅝ per cent.; six months 5[13]/16-6[1]/16 per cent.; one year 6[11]/16-6[15]/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

GOLD MARKET

FOREIGN EXCHANGE

FORWARD RATES

هكذا اصل الأصل

...e wool ...elled

...BERRA, April 1.
WOOL auctions next week have ... because of the ...rikes and disputes ... stores throughout ... No sales will be ... those April 27.
...was made to-day between the Joint ... Organisation ...resenting growers, ... buyers, and the ...Wool Corporation ...also agreed to ... from its stock-...

... president of the Commission, Mr. ... had granted an ... the layoff without ...tore employees who usefully employed ... disputes.
... members of the ... Packers' Union ... in the disputes in... for higher wages, ... and the question ... bales exceeding ...

... Moore said the ... reached where ... could not conciliate ...tration Commission ... arbitrate.
... the disputes is in ... Justice Moore has ... from May to ...earing by the Commission ... review its current ... wage-fixing. He ... the present system ...ages to rises in the ... index was close to ...

... for Industrial ... Anthony Street, ... that wool valued ... (about £65m.) ...cted by the indus-...

...h bacon raised

...mmodities Staff

... band price of ... bacon was raised by ... £960, yesterday re-... slight increase in ...

... bacon prices were ... however, and the £20 ... is unlikely to be ... any changes at the ...

...ge Jensen, Danish ... Producers' bacon ... manager, said that ... 40,000 tons drop in ... on the U.K. mar-... year, Danish bacon ... only 2,000 tons ...

Fall in sterling boosts commodity markets

BY RICHARD MOONEY

THE RENEWED fall in the value of sterling brought sharp rises in most leading commodity markets yesterday.

Currency considerations were the major influence on the London Metal Exchange where base metals all climbed to their highest levels since late 1974. Cash copper wirebars gained £31 a tonne, to £740, while cash standard tin went up by £36.5, to £3,686.5, cash zinc £10.5, to £401.5, and cash lead £7.75, to £214.75.

The rise in metals may also have been helped by remarks in the *annual statement* of the Amalgamated Metal Corporation chairman, Mr. J. D. Robbins, published yesterday. Mr. Robbins predicted a return of confidence and increased capital investment.

"Later this year, there is little doubt that, with a modest amount of fresh capital investment, base metal prices must rise further and subsequently surpass levels reached before," he said, adding that the price rise could be "of a very abrupt nature in its early stages."

The sterling decline was seen merely as an encouragement to the continuing strong tone in the coffee market. Dealers said the major influence was confirmation of reports that Brazil had bought between 500,000 and 800,000 tonnes of Angolan coffee, which sparked off a new rise in *New York. Strong U.S. roaster* buying of coffee remained as a major background influence.

The result of all these factors was that, as dealers had predicted several days ago, all coffee *futures positions closed at above* the £1,000 a tonne mark. The July position ended near the days highs, at £1,044, £56.5 higher on the day.

Cocoa market

Weakness of sterling was the dominant factor in the cocoa market, where the July quotation gained £17.5 a tonne, to £805.25, after climbing to £815 around lunch time.

The currency-inspired rise was backed up by chartist and short-covering purchases in the morning, but significant profit-taking set in during the afternoon. Dealers noted that the market sentiment remained fundamentally "bullish" even if the effect of the fall in sterling was disregarded.

The rubber market, which recently lost some ground following *a sharp upward movement*, also advanced yesterday. With the Malaysian godown (warehouse) price rising 4 cents a kilo, to 190 cents, the RSS No. 1 spot price rose 1.5p, to 44.75p.

The only leading commodity market to show a fall was sugar. Dealers felt that the absence of a strong existing upward trend caused currency factors to be largely disregarded.

Though the London daily price was marked up £1 a ton to £177, in the morning, by the close the August position on the futures market was showing a £1.975 decline, at £174.125.

Sugar values may also have been depressed by an announcement that option declarations against EEC Imex (import-export) buying options, which closed on Wednesday, amounted *to only 215,000 tonnes instead of* 280,000 which has been estimated by the trade.

The low figure indicates that holders of the options, which were granted against imports during the 1974 European supply crisis, were generally expecting no significant rise in sugar prices. Of the 215,000 tonnes, 210,000 represented options granted at low prices for which holders were already showing a *profit at current world prices.*

Peart acts on beef build-up

BY PETER BULLEN

THE GOVERNMENT announced measures yesterday to curtail a sudden build-up in the quantity of U.K. beef being sold into Common Market intervention stores.

An estimated 1,000 tons of beef — two-thirds of it from Northern Ireland—has been sold this week to the U.K. Intervention Board, virtually doubling *in one week the quantity in* store built up over many months.

The problem has arisen because of an unusual set of circumstances that has made the intervention price in Northern Ireland higher than the target price. This has led to unexpectedly high quantities of beef being offered for intervention in Ulster.

Answering a Parliamentary *question yesterday*, Mr. Fred Peart, the Minister of Agriculture, said he had decided on measures to meet the current problems.

From April 12, Northern Ireland producers will receive at least the same premium as farmers in the rest of Britain.

"This will immediately reduce the effective buying-in prices for beef offered to intervention in Northern Ireland," he said.

From the same date, arrangements were being made to confine certification to deadweight sales and to eligible live beef animals exported to Britain.

In addition, payments under the Meat Industry Employment Scheme were being increased. These payments were designed to iron out currency and livestock supply difficulties in Ulster and to protect jobs in meat processing plants there.

'Green pounds'

The rate of payment was being raised from the present 0.65p a pound, to 1.55p, to take account of the increased gap between British and Irish "green pounds."

Mr. Peart said it was a package of linked measures, directed to securing a fair balance between the interests of producers, the meat trade and consumers in the province and in Britain, and to ensure the effective control of premiums and intervention under Community provisions.

"These measures should help to reduce the impact of intervention in Northern Ireland and the evasion of Community control on trade across the border."

Given the premium available, and with firm beef markets throughout the U.K., significant sales of beef into intervention were neither appropriate nor necessary at present, he said.

Reuter reports from Washington: The U.S. is planning to levy a special duty on cheap, frozen boneless beef imported from Common Market countries, especially that from the Irish Republic.

Treasury Department officials said the imports were being sold in the U.S. at less than local rates because they had received special EEC export subsidies. The proposed duty would be equivalent to the subsidy.

Most of the frozen boneless beef, used mainly for the American hamburger trade, comes from the Irish Republic.

Soviet crop prospects assessed

WASHINGTON, April 1.

SOVIET FARMERS *this Spring* will harvest about the same acreage of winter grains as in recent years, despite heavy losses due to cold and dry weather in February, according to the U.S. Agriculture Department.

A Department official added in response to questions, however, that he saw no reason to withdraw an earlier forecast that prospects for a "fully normal" 1976 Soviet winter wheat harvest were nil.

The forecast was made on March 10 by Mr. Richard Bell, Assistant Agriculture Secretary. Mr. Dale Sherwin, his deputy, said he believed the forecast was still accurate, despite the later report that harvested acreage would not be below normal levels.

Weather conditions could hold per-acre yields below normal, *thus keeping the total harvest* below normal, Mr. Sherwin explained.

The new report, issued by the USDA's Foreign Agricultural Service, says Soviet farmers planted 89m. acres of winter grains—including wheat—last autumn. "Somewhat heavier than normal damage from cold, dry weather in February" will leave only about 72m. acres of the winter grains for harvest later *this spring*.

This reduced total, however, is "not greatly different from the winter grain area harvested in recent years," the report says.
UPI

India restricts silver exports

NEW DELHI, April 1.

THE FREE export of silver from India under "open general licence" has been stopped from to-day, an official note from the Indian Commerce Ministry says.

The note says silver exports will be allowed only through Bombay, Calcutta Madras and New Delhi.

The Government lifted the ban on the export of silver in February, 1974 and also did away with quotas for export.

The Ministry note says contracts for the export of silver will continue to be registered with the customs' authorities of the four outlets mentioned, but will be limited to ceilings allocated by the Government. These ceilings are not given.

In November last year, the Government announced that silver exports in 1974-75 totalled over £40m. compared with about £3.3m. for the year before the ban on exports was lifted.
Reuter

MEAT SUPPLIES

Lambs find a back door into France

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

LAMB COMMANDS the highest price in French butchers' shops, unlike the position in Britain where it is almost the cheapest meat in many places. And this is the way French sheep producers and their Government *want to keep it.*

Prices for lambs quoted on the Paris market, now over 80p per pound, compare with British new season prices of about 55p and a guarantee for this livestock year of 42p.

This disparity, which means that for most of the year the French price is double that in Britain, is a powerful incentive for exports from this country. *Over the last three years, sales* from the U.K. have averaged about 22,000 tons, last year's figure of 25,400 tons being the highest. In addition last year, some 48,000 live lambs were also exported to France.

Exports would have been a great deal higher, had it not been for protection given by the French Government against exports from this country and Ireland. This takes the form of *a variable duty and a threshold* price based on the average of the Paris market price and those of two other French markets. This was Frs.15.50 per kilo (about 77p per pound) until recently, but since mid-March it has been raised to Frs.16.60 (82.4p).

If the price in Paris fails to reach these levels, no imports are allowed; and once they have been stopped, the levels have to be exceeded for two weeks before they can be restarted.

A variable duty is tied to the target price, which at 82p is 34p per lb. and in addition there is a tariff of 4 per cent. *ad valorem* as well.

This last will be removed when the transitional arrangements for Common Market membership are finally consumated. But its removal will not on present indications make the task of the lamb exporters in this country and in Ireland much easier.

There is no regulation for sheep meat in the Community, and neither the French nor the British Government seem the least bit disposed to implement one.

The French don't wish to expose their sheep farmers to the winds of competition from across the sea, and the British Government is adamant that the tariff against imports from New Zealand—20 per cent. on full accession—is the maximum that can be borne.

The minimum price barrier is not the *only* protection French sheep farmers get. While the import of frozen mutton or lamb was at one time prohibited entirely, there is now a quota of 3,000 tons annually.

Publicity

Publicity was given recently to an agreement between the New Zealand Meat Board and French sheep producers' organisations for the import of 1,500 tons of frozen lamb at periods when the French market was seasonally short. It now seems, according to the Meat and Livestock Commission that this *quantity will have to come out* of the overall quota of 3,000 tons.

However, it takes more than a tariff barrier to keep a keen trader from his market and *some have found a back door* into France.

France maintains this high threshold price only against the two new members of the Community, Britain and Ireland. Imports of lamb and meat products from other member countries are subject only to minor duties based on currency adjustments. This is qualified by the stipulation that the products must be indigenous.

But if a lamb is exported from Britain or Ireland, then slaughtered overseas, its pedigree is difficult to prove.

The main outlet seems to be through Belgium. Sheep stocks in that country are so negligible as to be absent from that country's livestock statistics. But from January to October last year, Belgium exported 134,000 sheep to West Germany.

During the corresponding period in 1974, the numbers were no more than 51,000. From January to October 1975, West Germany exported 4,100 tons of sheep meat to France, against 1,600 tons in the previous year during that period.

U.K. exports of sheep to Belgium in 1975 totalled 88,000. Recent figures of imports of sheep into Belgium are not available, but it is probable that a substantial part of the balance came from Ireland.

The only barrier to exports of sheep from Britain to countries other than France is the abated common external tariff of 4 per cent. But prices in the coun*tries most concerned—Belgium* and Germany—are much lower than in France; it is 66p per lb in Germany.

It seems that European dealers have been importing sheep into Belgium, transporting most of them to West Germany, —where they are slaughtered and the carcases re-exported to France as native lamb.

It is generally believed that *this trade is very much on* the increase and accounts to some extent for the very high prices being paid for sheep on the U.K. market at a time of seasonally low supplies.

Amounts so traded should not be exaggerated. U.K. production of mutton and lamb in 1975 totalled 250,000 tons; and total exports—both live and dead—represent no more than 10 per cent. of that total.

India buys Bangladesh raw jute

BY OUR OWN CORRESPONDENT

CALCUTTA, April 1.

THE JUTE Corporation of India has contracted to purchase 354,000 bales and 43,000 bales of raw jute respectively from Bangladesh and Thailand to meet an expected fibre shortage during the three to four months after next June.

According to Mr. G. Ukil, managing director of the Corporation, the rates at which the deals have been concluded compare favourably with prices ruling the jute market at present.

The Jute Corporation made a handsome profit out of nearly 400,000 bales which it exported in the 1974-75 season. In the current season, however, it has not made any exports because the crop has been a short one and the mills are having to work at full capacity despite sluggish overseas demand.

...MODITY MARKET REPORTS AND PRICES

METALS

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COTTON

[illegible]

COFFEE

Robusta futures opened with all positions trading at over £1,000, reflecting good follow-through buying interest from yesterday's strong close. But profit-taking and dealer selling pared gains. But renewed buying and covering was later triggered by the record depreciation ... [illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

RUBBER

SLIGHTLY STEADIER ... [illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

... Calcutta goods firmer. Quotations c. and f. U.K. for April shipment: 10 oz 40 inch £7.96, 7½oz £5.94 per 100 yards. May £7.80 and £6.01, June £8.04 and £6.06. "B" twills: £22.92, £23.16 and £23.41 for the respective shipment periods. Yarns and cloth prices very firm.

MEAT/VEGETABLES

[illegible] ... Chicory—Belgian: Per 5-lb 1.80.

English produce: Pears—Per pound Conference 0.10-0.12. Mushrooms—Per pound 0.30-0.35. Potatoes—Per 56-lb Whites 5.50, Edwards 5.40-5.50. Sprouts—Per pound 0.07-0.08. Swedes—Per 28-lb Devon 0.50-0.60. Carrots—Per 28-lb 0.50-1.10. Onions—Per 56-lb 5.30. Cabbages—Per bag Primo 1.50-1.70. Cucumbers—Per box 12/18 2.00-2.50. Rhubarb—Per pound outdoor 0.07-0.09, indoor 0.10; Lettuce—Per 12 round 0.60-0.70. Apples—Per pound Cox's Orange Pippin 0.11-0.14, Bramley's 0.11-0.13, Laxtons 0.08-0.10.

★

COPRA—Philippines: April $207.50, May $210, June $212.50 resellers per tonne c.i.f. North Euro ports.

★

Lower South African maize crop predicted

JOHANNESBURG, April 1.

THE 1975-76 South African maize crop has been estimated at 7.3m. tonnes, 1.8m. below last year's outturn, by Kahn and Kahn, Johannesburg grain merchants. The company said even this figure depended on there being no early frost.

In an appraisal of conditions, it said that from mid-February until the first week of March the excessive rainfall experienced throughout the summer grain areas since the beginning of December gave way to more favourable dry weather.
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

GRIMSBY FISH— [illegible]

U.S. Markets

Rallies in silver and copper

NEW YORK, April 1.

SILVER RALLIED on Commission House short covering on reports of export restrictions in India. Copper rallied on Lebanese ten-day cease fire attracting Commission short covering. Commercial support attracted local and Commission House short covering to close soyabean complex slightly higher. Coffee remained heavily limit bid on continued South American interest attracting Commission House short covering, Bache reports.

Cocoa—Ghana spot 78¾ (78½). Bahia spot 78 nom. (78½). May 70.40 (69.90), July 66.40 (66.09). Sept. 63.20, Dec. 60.15, March 58.40, May 57.20, July unquoted. Sales: 1,544.

Coffee—"C" Contract: May 110.70 bid (105.70). July 110.70 bid (105.70). Sept. 110.60 bid. Dec. 109.00 bid. March 105.50 bid. Sales: 25.

Copper—April 64.80 (63.00). May 65.20 (63.40 settlements). June 65.60. July 66.00. Sept. 66.70 settlements. Sales: 6,822.

Cotton—May 58.60-58.80 (57.07). July 59.45-59.60 (57.60). Oct. 58.85-58.95. Dec. 58.60-58.70. March 59.45-59.65. May 60.10-60.33. July 60.29 bid. Sales: 3,750.

ΦGold—April 129.00 (129.10). May 129.30 (129.40). June 129.70. Aug. 130.50. Oct. 131.60. Dec. 132.70. Feb. 133.80. April 134.90. June 136.00. Aug. 137.20. Sales: 589.

Greasewool—Spot 167.5 nom. (same). May 166.0-169.0 (166.0). July 165.5-169.0 (167.0). Oct. 166.0-169.0. Dec. 163.0-169.0. March 163.0-169.0. May unquoted.

†Lard—Chicago loose 16 nom. NY ... [illegible]

STOCK EXCHANGE REPORT

Sentiment unsettled by fresh weakness in sterling

Gilt falls to ⅝—Share index down 3.6 at 398.8 after 404.7

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar. 22	Apr. 1	Apr. 2	Apr. 13
Apr. 5	Apr. 14	Apr. 15	Apr. 28
Apr. 20	Apr. 29	Apr. 30	May 11

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Sterling's further swift decline yesterday quickly found reflection in stock markets with jobbers defensively marking down prices of gilt-edged at the 10 a.m. opening of trade. Worries about the possibility of a sharp rise in Minimum Lending Rate led to selling of short-dated issues in an unwilling market and price falls at the close ranged to ⅝. Losses extended to ¾ at the long end of the market, and the Government Securities index came back 0.33 more to 62.10.

Leading equities started firmly, more in the absence of sellers than because of genuine support, but quickly followed the lower trend in gilts. The volume of trade, recently inhibited by the current political and Budget uncertainties, became even more limited with markings remaining low at 7,237. The turnround in sentiment in equities reversed the 10 a.m. rise of 2.3 in the FT 30-share index which, unchanged at 11 a.m., was finally 3.6 off at 398.8 for a four-day loss of 11.6. Falls outnumbered rises in FT-quoted Industrials by nearly three-to-one (four-to-one on Wednesday) and the FT-Actuaries All-Share index eased 0.6 per cent. more to 165.62.

South African Golds weakened on the realisation that the SA Budget proposals on corporate taxation apply also to gold mining concerns, and the Gold Mines index dropped 10.2 to 150.4 which compares with its January 2 high for 1976 of 246.9. Tins, on the other hand, were helped by the London Tin bid situation, the FT-Actuaries index for the sub-section rising 3.2 per cent. to 105.21.

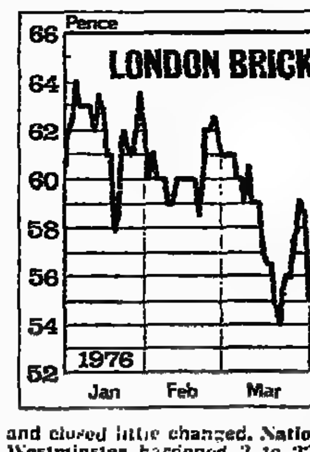
With sterling causing concern again and raising the question of possible remedial action by the authorities, particularly relating to Minimum Lending Rate, the market in British Funds turned distinctly dull. Much of the fall occurred before mid-day but dealings throughout were thin and the market became more sensitive than recently. A rally was attempted by both the shorts and the longs but it lacked substance and after-hours' quotations were trending lower still. Closing list prices showed the longer maturities ¾ down and the shorts ⅜ lower with another ⅛ to ¼ being lost in inter-office business. Corporations too, succumbed with falls to ⅜, while Southern Rhodesian bonds remained under a cloud, losing a further 3 points in places.

Sterling's fresh weakness soon found reflection in the investment currency market and the premium rose from 104⅞ to 107 per cent. before easing to close a net 1¼ higher at 106¼ per cent. Arbitrage business, largely on Hong Kong account, figured prominently in the day's trade. Yesterday's S.E. conversion factor was 0.6605 (0.6629).

Official London dealings commenced yesterday in IC Industries Common shares of no par value, which were quoted at £14¼.

Discounts friendless

For the second time this week Discounts came on offer in the Banking sector. Marked lower at the outset, prices wilted further on sporadic small offerings and lack of support fuelled by the poor performance of gilts. Although rallying slightly "after-hours," double-figure falls were still commonplace. In a thin market, Allen Harvey and Ross lost 20 to 400p, while falls of 10 were seen in Alexanders, 210p, after 205p, Gerrard and National, 230p, Gillett Bros., 165p and Seccombe Marshall and Campion, 240p. Cater Ryder shed 8 to 247p and Union receded 7 to 323p, after 315p. The big four banks moved erratically in thin trading



and closed little changed. National Westminster hardened 2 to 230p, while Barclays were unaltered at 280p, after extremes of 283p and 278p. Standard Chartered were 6 lower at 382p in overseas issues and, among Merchant Banks, Schroders were unmoved at 345p on the results.

Following the previous day's falls of 6 on the disappointing results, Legal and General and Pearl edged forward in the early trade after comment on the figures but then eased back to close unchanged on the day at 137p and 226p respectively. Equity and Law, on the other hand, held on to an early improvement of 2 to 172p following further consideration of the figures. Leslie and Godwin fell 7 to 115p in Brokers.

London Brick featured Buildings, closing 3½ cheaper at 55p, after 54p, on the profits showing which failed to come up to market expectations. Kenkast were marked down 1½ to 11p on the dividend omission and trading loss, while falls of 5 were sustained by Taylor Woodrow, 300p, and H. and R. Johnson-Richards Tiles, 227p. William Mallinson shed 3 to 36p, while Heywood Williams, 16p, and Roberts Adlard, 62p, lost 4 apiece. On the other hand, Erith hardened 3 to 87p on the increased earnings, and Breedon Lime, ahead of to-day's results, improved similarly to 83p.

Fisons, 7 higher at 373p, provided an isolated firm spot in Chemicals, where ICI closed at the day's lowest of 390p, down 4, and Brent eased 3 to 108p on profit-taking after further consideration of the results and "rights" issue proposal.

Combined English sold

In Stores, Combined English reacted 4 to 80p following Press comment on the preliminary figures. Similar losses were sustained by Spirella, 104p, and "Gussies" "A," 205p, while an active two-way business left Marks and Spencer 2 easier at 92p. Burton "A" cheapened 2 to 37p as did Debenhams to 92p. Other dull spots included A. Goldberg, 4 off at 42p, and Lee Cooper, 5 easier at 80p. Shoes had Pittard 3 off at 80p and Geo. Oliver "A" 4 down at 25p.

The Electrical leaders fluctuated narrowly in further slack trading. BICC were in easier vein at 117p, down 3, while GEC closed a penny down at 155p, after moving between 157p and 154p. EMI, an easier market of late on talk of increased competition for its X-ray scanners, rallied to 257p before declining to 252p and ending unaltered at 254p. Thorn Electrical managed to close 2 firmer at 272p, after 276p, and Hoover "A" 5 up at 330p, both on hopes of a relaxation in next week's Budget of the 25 per cent. VAT rate on luxury goods. Elsewhere, Lee Refrigeration put on 3 to 87p and Allied Insulators 1½ to 40p, but Pye Holdings relinquished another 2 at 48p.

News items, both good and bad, affected Engineerings. Aurora lost 4 to 58p on disappointingly lower first-half profits, while Linread fell 5½ to 28½p following the half-yearly loss. Warne Wright, on the other hand, gained 3 to 34p, reflecting the increased profits and Charles Clifford, a good market over the past two days, improved 2 more to 100p after late news of the bid approach. Publication of the "rights" issue prospectus saw Weyburn pick up 25 to 670p, while APV hardened 2 to 268p, after 170p, in recognition of the annual results. The profits forecast, which accompanied details of the U.S. acquisition, helped Gordon Johnson-Stephens improve 1 to 30p. Startrite moved up initially to 52p, but slipped back to 48p, for a net loss of 1, influenced by the interim setback. Elsewhere, Beauford reacted 5 to 48p and A. Cohen a like amount to 112p, after 108p, but demand in a limited market raised Kwikform 4 to 78p. Of the leaders, only Tube Investments, 4 higher at 374p, were worth mentioning.

Clifford's Dairies provided a firm feature in Foods, rising 7 to 82p on the preliminary figures and the one-for-one scrip issue in "A" shares. Rowntree Mackintosh touched 210p before closing 2 up on the day at 308p, the preliminary figures were announced on April 10 last year. Supermarkets were notable for a fall of 9 to 107p in Kwik Save Discount ahead of Monday's interim statement.

J. Lyons "A" remained on offer, the Ordinary losing 4 more at 116p and the 7½ per cent. Convertible loan 1981 reacting four points to £78. Pontin's shaded 1 to 24½p and Grand Metropolitan shed 3 to 69p.

Miscellaneous Industrial leaders displayed minor losses after another idle trading session. Bowater, awaiting to-day's preliminary results, were 2 easier at 195p, while Beecham closed 4 cheaper at 350p, after an early improvement to 357p. "Suits," 82p, and Wilkinson Match, 143p, softened 3 apiece. Glaxo, with interim figures due April 12, lost an early gain of 5 to close unchanged at 380p. Elsewhere, Friedland Doggart were outstanding for an advance of 14 to 78p on speculative support in a thin market. Ozalid were also in firm vein, adding 5 at 134p, while White Child and Beney, after the previous day's decline of 4 on the chairman's forecast of lower profits, recouped 3 at 53p. Burndene Investments, despite the fall in first-half profits, added a penny at 12p, but Kode International came on offer and receded 5 to 29p in front of next Tuesday's results.

Motors and Distributors put on a drab performance. Rolls-Royce, still reflecting the capital raising plans, gave up 3 more at 57p, while modest losses were sustained by Henlys, 77p, and Lucas, 220p. York Trailer ended a penny cheaper at 28p after the preliminary results, but higher earnings put Appleyard 2 better at 47p. British Leyland edged up a penny to 28p on the improved labour situation.

Associated Book provided some relief in Newspapers/Publishers, rising 13 to 72p on preliminary figures described as excellent. Otherwise, United fell 8 to 270p, while News International, 164p, and Associated, 101p, lost 3 apiece. Paper/Printings were often a penny or so easier apart from Oxley Printing, which improved 1 more to 14p. Awaiting to-day's annual results, British Printing eased to 52p.

Pan Ocean suspended

Pan Ocean were suspended following similar action in domestic markets overnight pending clarification of the company's position; recently it has been suggested that the Pan Ocean North Sea consortium would entertain a farm-in offer so as to carry out Brae Field development and yesterday rumours were heard of a possible take-over of both Pan Ocean and Sunningdale, which is another member of the consortium. Pan Ocean were suspended at £11¾ in London, while Sunningdale continued to trade and closed 30 higher at 840p; Siebens (U.K.), which also has a stake in the Brae Field, rose 25 to 300p. Remaining Oils lacked colour and, after opening a shade higher on Wall Street influences, drifted back to overnight levels. British Petroleum closed at 610p, after 616p, and Shell at 408p, after 410p. Ultramar eased 2 to 154p, but Royal Dutch hardened ½ to £36¼.

Properties continued to be plagued by adverse rumours and prices lost further ground on fresh nervous selling. "Bear closing," however, left the leaders finishing a shade above the day's worst, Land Securities recording a net loss of 3 at 165p, after 164p, and MEPC ending 2 easier at 65p, after 64p. British Land, 29½p, and English Property, 48p, were also 2 cheaper. Elsewhere, United Real receded 6 to 167p, Hammerson "A" 5 to 330p, and Stock Conversion 4 to 163p, while the half-year report left Centrovincial Estates, 32p, and Capital shares, 29p, both a penny softer. Keith and Henderson, however, ended 2 firmer at 66p, after 67p, on speculative new-time interest accompanied by renewed take-over talk. British Anzani picked up a penny to 12½p on the half-year report.

Overseas Traders made a generally dull showing with Sime Darby losing 5 to 102p and James Finlay 3 to 122p. Mitchell Cotts closed a penny cheaper at 46p following lower first-half profits.

Akroyd and Smithers were on offer again in Trusts and Financials and closed 5 down at 202p. London United Investments eased 3 at 58p. Lubok Investments, on the other hand, edged forward a shade to 12½p and the 12 per cent. Convertible gained 2 to £71.

S.A. budget hits Golds

South African Gold shares lost ground following the realisation that the increased surcharge and loan levy proposed in the South African budget applied to gold mines.

Shares opened lower reflecting the lower bullion price and following subsequent heavy selling from all quarters, jobbers marked down prices further, although they closed above the worst.

The Gold Mines index receded 10.2 to 150.4, its lowest point since November 27, 1973, while bullion was finally 75 cents down at $128.75.

In the heavyweight issues, falls ranged to £1¼ in Free State Geduld £13¾, and Western Holdings £15¼, while St. Helena dropped £1¼ to £14¼. Vaal Reefs and President Brand both lost a point to £14½ and £14¾ respectively. Among the lighter-priced stocks, President Steyn retreated 130 to 750p, while Doornfontein dropped 40 to 370p.

South African-based Financials mirrored Golds. "Amgold" fell a point to £18¼ and Anglo American lost 10 to 25[illegible]p. Platinums eased on profit-taking, while Coppers were neglected.

In Tins, London Tin advanced to a 1976 high of 170p before closing 13 up on balance at 16[illegible]p following the latest developments in the bid situation. Tronoh put on 8 to 90p.

Australians moved ahead in line with overnight home markets. Utah Mining gained 15 to 300p on consideration of the Norwich Park Coking Coal project in Queensland. Elsewhere, Anglo United rose 6 to 90p on bid rumours.

FINANCIAL TIMES STOCK INDICES

	April 1	March 31	March 30	March 29	March 26		
Government Secs.	62.10	62.43	62.60	62.84	62.17	62.[illegible]	
Fixed Interest	61.88	61.97	62.00	61.79	61.79	61.[illegible]	
Industrial Ordinary	398.8	402.4	404.8	406.4	410.4	406.5	
Gold Mines	150.4	160.6	158.2	168.1	173.2	170.6	
Ord. Div. Yield %	5.19	5.16	5.14	5.12	5.07	5.12	
Earnings Y'ld % (full)(a)	15.53	15.45	15.39	15.31	15.18	15.18	21
P/E Ratio (net) (a) (b)	9.44	9.48	9.52	9.57	9.65	9.65	6.[illegible]
Dealings marked	7,237	6,898	7,094	6,205	5,920	7,078	7,726
Equity turnover £m	—	67.18	68.55	53.67	59.25	55.23	48.50
Equity bargains total	—	18,846	20,756	17,671	17,162	16,897	24,995

10 a.m. 404.7. 11 a.m. 402.4. Noon 402.2. 1 p.m. 399.8. 2 p.m. 398.4. 3 p.m. 398.7.

Latest index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.37.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.73 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	381.6 (5/1/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	150.4 (1/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	April 1	March 31
Daily—		
Gilt-Edged	169.5	158.0
Industrials	241.3	231.6
Speculative	85.0	71.4
Totals	164.7	157.0
5-day Av'r'ge		
Gilt-Edged	156.7	160.0
Industrials	227.4	230.7
Speculative	66.0	60.4
Totals	156.4	151.1

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

		Thursday, April 1, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. March 31 Index No.	Tuesday March 30 Index No.	Monday March 29 Index No.	Friday March 26 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	154.11	−0.4	15.02	5.57	10.02	10.02	154.75	155.84	156.21	156.75	106.57	157.57	143.65	206.37	50.71
2	Building Materials (30)	143.47	−1.2	11.98	6.08	12.57	12.56	145.22	146.04	145.17	146.01	95.11	150.18	138.49	233.84	44.27
3	Contracting, Construction (23)	229.06	−1.6	15.66	4.44	9.92	9.92	232.87	234.62	235.15	235.63	194.58	260.20	227.29	389.25	71.48
4	Electricals (16)	267.92	—	16.26	4.46	9.00	9.00	268.00	270.41	273.82	274.68	195.38	279.40	250.60	350.04	86.71
5	Engineering (Heavy) (13)	174.35	−0.7	19.06	6.77	8.55	8.55	175.58	177.91	181.40	179.35	125.97	181.40	163.90	202.57	94.45
6	Engineering (General) (63)	145.99	—	15.51	5.95	9.65	9.65	143.99	144.94	145.34	145.68	90.66	145.68	125.46	168.59	45.14
7	Machine and Other Tools (9)	58.98	−0.5	14.51	6.32	12.59	12.59	59.30	59.98	60.05	60.17	37.79	60.17	51.19	136.70	19.96
8	Miscellaneous (25)	134.50	+0.1	14.67	6.27	10.34	10.34	134.16	134.54	134.00	134.32	94.95	134.85	121.68	177.41	49.65
9	CONSUMER GOODS (DURABLE) (53)	157.56	−0.4	14.69	4.55	10.36	10.35	158.15	158.86	158.76	159.65	78.55	161.28	121.67	227.78	38.39
10	Lt. Electronics, Radio TV (15)	157.38	+0.2	12.29	3.41	12.21	12.19	157.10	157.54	156.93	157.98	90.95	160.15	139.18	287.41	42.85
11	Household Goods (13)	182.56	+0.1	18.93	6.28	7.88	7.86	182.41	182.54	182.46	182.62	124.98	184.94	165.38	265.22	65.92
12	Motors and Distributors (25)	80.27	−1.7	16.95	5.86	9.07	9.07	81.62	82.57	82.97	83.61	41.26	85.05	70.05	170.89	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	150.25	−1.0	15.92	5.91	10.65	10.67	151.81	152.54	153.06	153.72	117.59	162.24	148.76	225.08	61.41
14	Breweries (15)	154.97	−1.2	14.56	6.96	10.31	10.31	156.80	157.52	157.98	159.55	133.23	179.48	152.74	281.87	69.47
15	Wines and Spirits (7)	177.58	−1.0	10.42	5.68	14.56	14.56	179.39	181.72	181.72	183.35	138.85	185.89	175.71	257.40	78.81
16	Entertainment, Catering (14)	187.78	−1.6	15.05	6.91	11.80	11.70	190.93	193.60	195.26	197.65	118.44	211.26	187.78	329.99	54.87
17	Food Manufacturing (22)	166.29	−0.5	12.75	5.06	11.05	10.98	166.72	166.30	167.72	167.94	124.08	174.03	162.69	211.65	59.78
18	Food Retailing (16)	156.50	−1.4	12.37	5.08	11.86	11.86	158.35	159.10	158.41	159.13	122.42	160.05	156.26	256.06	54.26
19	Newspapers, Publishing (15)	177.94	−0.9	12.68	5.78	11.83	11.83	179.50	180.01	181.14	185.16	134.26	184.54	165.47	280.29	55.08
20	Packaging and Paper (13)	105.54	−0.9	19.55	7.28	7.79	7.80	106.44	106.85	107.47	108.21	81.69	112.50	105.54	155.65	43.46
21	Stores (34)	124.51	−1.1	12.10	5.43	12.89	12.67	125.86	126.23	127.45	127.58	103.07	136.24	122.56	204.39	52.63
22	Textiles (23)	165.82	−1.5	15.51	6.67	9.91	9.28	168.27	167.55	168.70	170.44	114.75	183.19	165.54	283.72	62.66
23	Tobaccos (3)	217.45	−1.5	20.05	6.52	7.61	7.61	220.22	220.17	220.75	221.24	171.50	236.22	211.56	339.15	94.34
24	Toys and Games (6)	70.75	−0.6	19.28	5.25	7.22	7.23	71.17	71.52	69.79	69.60	37.88	71.52	59.13	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	219.22	−0.6	11.85	4.40	11.67	11.56	220.63	220.57	221.87	223.24	140.80	226.72	199.45	226.72	71.20
26	Office Equipment (9)	92.02	−0.7	15.99	5.61	10.89	10.89	91.58	92.86	92.70	93.25	61.34	97.63	85.09	246.06	46.54
27	Shipping (12)	377.41	−0.6	18.94	5.56	6.75	6.49	378.51	380.05	382.50	379.99	353.21	432.64	355.52	517.00	90.80
28	Miscellaneous (49)	165.18	−1.1	14.29	6.45	10.32	10.31	167.05	167.97	168.96	170.04	118.32	172.75	156.79	258.65	60.39
29	INDUSTRIAL GROUP (496)	157.54	−0.8	14.05	5.57	10.46	10.41	159.06	159.81	160.66	161.07	114.81	164.06	152.00	220.17	59.01
30	OILS (4)	351.85	—	14.17	4.67	7.97	7.54	351.88	352.74	356.06	353.54	197.08	356.97	331.34	431.66	87.23
31	500 SHARE INDEX	172.98	−0.6	14.07	5.43	9.98	9.84	175.12	175.88	176.57	177.15	121.95	179.16	167.51	227.95	63.49
32	FINANCIAL GROUP (100)	154.46	−0.7	—	5.58	—	—	155.45	157.56	157.75	159.16	115.46	165.46	155.86	241.41	55.88
33	Banks (6)	155.44	—	19.67	5.44	[illegible]	7.82	155.36	158.15	157.65	160.07	127.12	182.16	152.95	288.38	62.44
34	Discount Houses (10)	162.20	−5.1	—	[illegible]	—	—	160.54	159.32	161.20	165.42	150.18	186.52	162.20	293.18	81.40
35	Hire Purchase (5)	117.25	−3.4	—	5.56	—	—	121.40	124.08	124.39	125.07	114.75	132.10	104.50	433.72	38.35
36	Insurance (Life) (9)	124.81	−0.1	—	5.65	—	—	124.93	127.26	127.65	128.15	93.72	129.46	119.06	194.46	44.88
37	Insurance (Composite) (7)	110.12	−0.5	—	5.27	—	—	110.48	111.25	111.97	115.08	86.57	119.75	105.33	155.76	45.96
38	Insurance Brokers (9)	241.28	−1.1	[illegible]	3.86	15.67	15.67	243.98	245.07	244.20	244.82	154.27	246.31	218.26	262.37	65.86
39	Merchant Banks (17)	80.61	−1.6	—	[illegible]	—	—	81.88	82.64	82.07	83.26	84.06	95.83	80.61	278.57	31.21
40	Property (31)	159.20	−2.0	3.17	3.10	55.57	55.57	162.50	165.25	168.47	169.58	161.54	194.57	159.20	357.40	56.01
41	Miscellaneous (6)	78.70	−0.3	16.61	7.14	9.43	9.43	78.96	80.71	80.17	80.79	59.17	91.98	78.70	303.13	33.29
42	Investment Trusts (50)	157.59	+0.6	3.28	4.60	31.76	31.74	156.61	158.32	160.59	162.96	132.93	164.55	156.81	245.79	71.63
43	ALL-SHARE INDEX (650)	165.62	−0.6	—	5.38	—	—	164.61	165.70	166.36	167.17	120.39	172.64	160.52	228.15	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	464.62	−0.5	13.79	7.25	11.15	11.10	465.93	472.20	466.57	465.80	464.40	472.20	404.67	555.87	84.68
45	Teas (6)	128.52	−0.7	52.78	9.22	4.14	4.00	129.47	128.00	127.77	127.55	83.17	129.47	117.89	129.47	59.72
46	Coppers (3)	192.29	−1.0	51.39	8.94	1.96	1.95	194.20	196.11	200.68	200.68	401.59	301.47	183.83	567.78	94.09
47	Mining Finance (11)	94.90	−0.7	12.28	5.23	9.22	9.22	95.57	96.65	98.51	99.46	109.18	119.77	86.18	175.90	66.31
48	Tins (8)	105.21	−3.2	11.52	8.39	12.64	11.98	101.94	101.58	101.40	104.96	94.93	105.90	86.09	125.45	54.83
49	Overseas Traders (13)	231.69	−0.1	14.46	4.45	9.07	9.06	231.46	234.20	233.27	233.51	187.65	238.88	229.55	258.25	87.37

FIXED INTEREST

		Thurs., April 1 Index No.	Yield %	Wed. March 31	Tuesday March 30	Monday March 29	Friday March 26	Thurs. March 25	Wed. March 24	Tuesday March 23	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.07	13.96	13.86	13.95	13.94	13.93	13.95	14.02	14.07	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.53	13.14	49.88	50.03	49.68	49.70	49.84	49.59	49.24	51.34	53.45	47.56	116.42	38.27
3	20-yr. Red. Deb. & Loans (15)	49.34	14.97	49.46	49.53	49.50	49.48	49.42	49.50	49.50	49.90	51.46	46.68	173.49	37.01
4	Investment Trust Prefs. (15)	48.48	14.27	48.76	48.76	48.76	48.81	48.81	48.77	48.77	46.18	51.25	46.50	114.41	34.45
5	Coml. and Indl. Prefs (20)	67.12	14.21	67.61	67.79	67.85	68.07	68.97	68.18	68.27	65.53	71.97	62.76	114.95	47.67

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.75
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	[illegible]
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

The following changes have taken place in the FT-Actuaries Share Indices:

STOCKS DELETED: Blackwood Morton (Household Goods); A.B. Electronics (Light Electronics, TV); Dimplex (Household Goods); Group Lotus Car (Motors and Distributors); Rotaprint (Office Equipment); Francis Industries (Misc. Unclassified); Town and Commercial (Property); Drake and Cubitt Holdings (Cont. and Cons.).

REPLACEMENTS: Hestair (Misc., Unclassified); Carrington Viyella (Textiles); Carless Capel and Leonard (Chemicals); Alginate Industries (Chemicals); H.A.T. Group (Cont. and Cons.); Siebe Gorman (Misc., Unclassified); Bradford Property Trust (Property); Ibstock Johnsen (Building Materials).

* Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	16	390	−4	404	334
Lonrho	25p	14	95	+1	131	94
British Leyland	50p	13	28	+1	36	22
Burmah Oil	£1	12	35	—	53	31
Marks & Spencer	25p	11	92	−2	108	91
Hawker Siddeley	£1	10	418	+2	428	354
BP	£1	9	610	—	616	576
De La Rue "New"	Nil/pd.	9	45*	+2	45*	24*
EMI	50p	9	254	—	277	223
Shell Transport	25p	9	408	—	422	378
Slater Walker	25p	9	23	—	31	22
Town & City Props.	10p	9	14	—	23	14
Beecham	25p	8	350	−4	386	339
Fisons	£1	8	373	+7	417	338
Grand Met.	50p	8	69	−3	88	69

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 30	Apr. 12	Jun. 24	July 6
Apr. 13	Apr. 27	July 8	July 20
Apr. 28	May 10	July 22	Aug. 3

"Calls" were taken out in Cons. Gold Fields, Ultramar, Burmah Oil, Ladbroke, Trust Houses Forte, Lonrho, Norwest Holst, Cavenham Warrants, Town and City, Charterhall Finance, MEPC, ICI, Grand Metropolitan, Amalgamated Power and William Mallinson. A "put" was done in Burmah Oil while "doubles" were arranged in Burmah Oil, Lonrho, Charterhall Finance and John Brown.

Industrials							
A. P. Cement	15	Guardian	20	Spillers	8	Shell	35
Assoc. Leisure	3	G.K.N.	22	Tesco	5	Ultramar	20
Barclays Bank	28	Hawker Sidd.	58	Thorn "A"	20	Mines	
Beecham	28	House of Fraser	8	Tube Invest.	27	Anglo Amer.	50
Boots Drug	12	I.C.I.	21	Unilever	40	Charter Cons.	16
Bowaters	16	"Imps"	7	Utd. Drapery	10	Chart'rh'll Fin.	5
B.A.T.	30	I.C.L.	14	Vickers	18	Cons. Gold	16
British Leyland	7	Invereshk	7	Williams Hud'n	4	De Beers Def.	35
BOC Int.	8½	Legal & General	15	Woolworths	6	F. S. Geduld	350
Burton 'A'	7	Ladbroke	11	Property		Great Boulder	12
Cadburys	6	Lloyds Bank	22	Brit. Land	4½	Hampton Areas	12
Courtaulds	11	"Lots"	5½	Cap Counties	3½	Hampton Prop.	4
Debenhams	6	"Mams"	6	E.P.	8	Kloof	100
Distillers	15	Marks & Sp'ncer	10	Int. Europ	7	Lonrho	12
Dunlop	7½	Midland Bank	22	Land Securities	18	Loraine	58
Eagle Star	13	Nat'West Bank	20	MEPC	10	Presidon	56
E.M.I.	17	"Dr" Warrants	8½	Peachey	3½	Pres. Steyn	200
Gen. Accident	16	P & O Dfd.	11	Town & City	3½	Rio T. Zinc	17
Gen. Electric	15	Plessey	6	Town & Comm.	4	Welkom	56
Glaxo	35	R.H.M.	6			West Areas	40
Grand Met	7	Rank Org. 'A'	18	Oils		Western M'ng	18
G.U.S. 'A'	17	Reed Int'l	23	Brit. Petroleum	40		
		Rahmans	4	Burmah Oil	7		
		Slater Walker	4½				

NEW HIGHS AND LOWS FOR 1975/76

Too numerous to name individually, the 171 new 1976 lows recorded among securities listed in the Share Information Service yesterday are given below in their subsections. There were 38 new highs.

NEW HIGHS (38)

AMERICANS (5): Ford Motor, Otis Elevators, Singer, Sperry Rand, Transamerica

CANADIANS (1): Hollinger

BANKS (1): Wells Fargo

BUILDINGS (2): Blundell Permoglaze, Parker Timber

CHEMICALS (1): Hoechst Fin. 10pc Ln.

STORES (1): Customagic

ELECTRICALS (1): Allied Insulators

ENGINEERING (6): A.P.V., Clifford (C.), Johnson Firth Brown, Midlands Inds., Pegler-Hattersley, Spirax-Sarco

FOODS (3): Clifford Dairies, Do. 'A', Rowntree Mackintosh

INDUSTRIALS (7): Amal. Metal, Black & Edgington, Dundonian, Fosseco Minsep, Friedland Doggart, MK Refrigeration, Marshall (Loxley) 'A'

MOTORS (1): Kwik-Fit

NEWSPAPERS (2): Assoc. Books Pubs., E. Mid. Allied Pr. A

PAPERS (2): Oxley Print Group, Saatchi Saatchi Comp.

TEXTILES (1): Bright (J.)

MINES (4): Ayer Hitam, Southern Malayan, Sungei Besi, Tronoh

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	56	—	2
Corpns. Dom. and Foreign Bonds	2	18	64
Industrials	213	595	921
Financial and Prop.	72	188	313
Oils	8	5	19
Plantation	2	5	39
Mines	19	67	61
Recent Issues	9	12	54
Totals	381	890	1,453

BASE LENDING RATES

Allied Irish Banks Ltd.	9½%
American Express Bank	9½%
Anglo-Portuguese Bank	9½%
Henry Ansbacher	10 %
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	10 %
Bank of N.S.W.	9½%
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	10 %
Bremar Holdings Ltd.	10 %
Brit. Bank of Mid. East	9½%
■ Brown Shipley	9½%
Canada Permanent AFI	9½%
Cayzer, Bowater Co. Ltd.	10 %
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	10½%
Consolidated Credits	11 %
Co-operative Bank	* 9½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11 %
Duncan Lawrie	11 %
English Transcont.	11 %
First London Secs.	9½%
■ Antony Gibbs	9½%
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	‡ 9½%
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§ 9½%
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Hongkong & Shanghai	9½%
Industrial Bank of Scot.	9½%
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11 %
London Merc'tile Corpn.	10½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10 %
Norwich General Trust	10 %
Portman Guaranty	9½%
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Schlesinger Limited	10½%
E. S. Schwab	11 %
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard Chartered Bk.	9½%
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Whiteaway Laidlaw	10 %
Williams & Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses committee.

* 7-day deposits 5½%. 1-month deposits 5¾%.

‡ 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6¼% and over £25,000 6¾%.

† Demand deposit 7%.

§ Call deposits over £1,000 5½%.

CORAL INDEX
Close 396-401

I.G. INDEX
GOLD 127¾-130¾

MONEY MARKET

Interest rates firmer

Bank of England Minimum Lending Rate 9 per cent. (since March 5, 1976)

Short-term fixed period interest rates were generally slightly firmer in the London money market yesterday. Earlier in the week it appeared possible that Bank of England Minimum Lending Rate may be cut at to-day's Treasury bill tender and interest rates had tended to decline. Following the sharp fall by sterling yesterday however it is now likely that MLR will remain at 9 per cent. Discount houses buying rate for three-month Treasury bills increased to 8⅞-8¹⁵⁄₁₆ per cent. from 8¾ per cent.

Day-to-day credit was again expected to be in adequate supply but the authorities gave a small amount of assistance by buying Treasury bills from the discount houses. Banks carried forward surplus balances from Wednesday and there was a fall in the note circulation, but these were outweighed by a net market take-up of Treasury bills and settlement of official gilt edged sales.

Discount houses paid around 8¼-8½ per cent. for secured call loans in the early part, and rates touched 8¾ per cent., before closing at about 7 per cent., though some balances may have been found at as low as 5 per cent.

In the interbank market overnight loans opened at 8¼-8½ per cent., and touched 8¾-8⅞ per cent., before closing at 2-3 per cent.

Rates in the table below are nominal in some cases.

April 1 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine trade Bills ф
Overnight	—	7-8¾	—	—	—	8⅝	8-8½	—	—	—
2 days notice	—	—	8-8⅛	—	—	—	—	—	—	—
7 days or										
7 days notice	—	8⅛-8½	8¼-8½	—	—	8¾	8¼-8⅝	—	—	—
One month	8¾-8⅝	8⅝-8⅞	8¼-8½	9-8⅞	8¾-9	8¾	8⅞	8⅝-8¾	8⅝-8¾	9¼-9
Two months	8¾-8⅞	8¾-8⅞	—	9-8¾	8⅞-9⅛	—	8¾-8⅞	8¾-8⅞	[illegible]	9¼-9
Three months	[illegible]	[illegible]	8¾-8⅞	9-8⅞	8⅞-9⅛	—	8⅞-8¾	8⅞-8⅞	[illegible]	9¼-9
Six months	9-8⅞	8⅞-9⅛	9-9¼	9⅛-9	8⅞-9¼	—	—	—	8¾-8⅞	9¼-9
Nine months	[illegible]	9⅛-9⅜	—	10¼-9⅞	9¼-9¾	—	—	—	8⅞-8⅞	9⅜-9¼
One year	10-9⅞	9⅞-10⅛	10¼-10½	10½-10	9¾-10¼	—	—	—	—	—
Two years	—	—	11¼-12	—	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12½-12¾ per cent.; four years 12¾-13 per cent.; five years 13-13¼ per cent. ф Bank bills rates in table are buying rates for prime paper. Buying rates for four-month bank bills 8¹⁵⁄₁₆-9¹⁄₃₂ per cent.; and four-month trade bills 9¾-9¾ per cent. Approximate selling rate for one-month Treasury bills 8³⁄₃₂-8¹⁄₁₆ per cent.; two months 8¼-8⁷⁄₃₂ per cent.; and three months 8⁵⁄₁₆-8⁹⁄₃₂ per cent. Approximate selling rate for one-month bank bills 8³⁄₁₆-8⅛ per cent.; two-month 8¾-8⁷⁄₃₂ per cent.; and three-month 8[illegible] per cent.; for one-month trade bills 8½-8¾ per cent.; two-month 9-8⅞ per cent.; and three-month 8⅞-8¾ per cent.

Finance House Base Rate (published by the Finance Houses Association): 9 per cent. from April 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bills: Average tender rate of discount 8.4177 per cent.

INSURANCE BASE RATES

† Atlantic Assurance ... 8½%
Cannon Assurance ... 8½%

† Address shown under Insurance and Property Bond table

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AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

FOOD PRICE MOVEMENTS

	April 1 £	Week ago £	Month ago £
A.1 per ton†	960	940	1,030
A.1 per ton†	910	910	930
Special per ton†	910	910	930
A.1 per ton†	—	—	—
A.1 per ton†	880	880	930
(packet)			
20 lbs†	8.63- 8.69	8.63- 8.69	8.05- 8.11
per cwt†	47.39-49.73	45.39-47.77	45.39-47.77
salted per cwt†	51.29-53.23	51.27-53.23	47.73-51.27
cheddar white			
per tonne	—	—	1,002.89
tonne	896.5	896.5	896.5
Standard	3.70- 3.80	3.40- 3.50	3.10- 3.20
Large	3.75- 3.85	3.45- 3.60	3.20- 3.30

	April 1 per pound p p	Week ago per pound p p	Month ago per pound p p
killed sides (KCF)	38.0—41.0	38.0—41.0	35.5—39.0
forequarters	28.0—30.0	29.0—31.0	29.0—30.0
chilled rumps	—	—	—
	40.0—46.0	36.0—44.0	36.0—42.0
PMs	31.5—36.0	31.5—36.0	30.5—34.0
weights)	29.0—38.5	28.0—38.0	29.0—38.0
ewes	20.0—24.0	19.0—24.0	19.0—26.0
chickens	23.0—27.0	22.5—26.5	23.0—27.0

Egg Exchange price per 120 eggs. † Delivered. March 23-31.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further details please ring 01-248 8000 Extn. 459

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99⅜	92⅞	Treasury 6½pc 1976‡‡	99¼	−⅛	6.55	8.48
98⅝	93⅝	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
101⅞	99⅞	Treasury 10½pc 1976‡‡	101¼	−⅛	10.37	8.51
98½	95⅞	Treasury 6¾pc 1977‡‡	97⅞	−⅛	6.39	8.71
97½	95⅛	Electric 3pc 74-77	96⅝xd	−⅛	3.10	6.71
103⅞	92⅞	Treasury 11½pc '77‡‡	102⅞xd	−¼	11.18	9.34
94⅛	91⅞	Treasury 3pc '77‡‡	93½	−⅛	3.21	7.31
94⅞	92⅞	Transport 4pc '72-77	93⅝	−⅛	4.27	8.01
99⅞	90½	Treasury 9pc 1978‡‡	98⅝	−⅛	9.12	9.78
102½	98⅞	Treasury 10½pc '78‡‡	100⅞	−⅛	10.40	10.00
93⅛	90⅞	Exchequer 5pc '76-78‡‡	92¾xd	−⅛	5.39	8.27
103⅞	100¼	Treasury 11½pc '79‡‡	102¾	−¼	11.19	10.37
89⅞	83⅝	Treasury 3pc '78‡‡	87⅝xd	−⅛	3.42	7.09
89⅞	73⅞	Electric 4¼pc '74-79	88⅞xd	−⅛	4.73	7.96
100⅞	96⅞	Treasury 10½pc '79‡‡	99¼xd	−⅛	10.58	10.76
87¼	83⅝	Electric 3½pc '76-79	85¾	−¼	4.03	7.76
95⅞	91	Treasury 9pc 1980‡‡	94¾	−½	9.50	10.66
96½	92⅞	Treasury 9½pc '80‡‡	94⅞	−½	10.02	11.09
96½	92¼	Treas. 9½pc 1980 'A'‡‡	94⅞	−½	10.02	11.09
86	83½	Treasury 3½pc '77-80	85½	−⅛	4.09	7.66
88	71	Funding 5¼pc '78-80‡‡	88	.....	5.96	8.71
103⅞	98	Treasury 11½pc 1981	101⅝	−⅛	11.32	11.03
86	81¼	Do. 3½% 1979-81	83½	−⅛	4.19	7.61
—	—	Do. 9¾pc 1981‡‡	£95½	.....	10.21	10.94

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

S.E. List Premium [illegible]

Conversion factor [illegible]

CANADIANS

[illegible]

S.E. List Premium [illegible]

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

For Elswick H. Sp see Industrials

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	385	Blyvoor 25	385	−30	†Q100c	1.3	‡
£14	860	Buffels R1	860	−20	Q180c	1.4	12.4
198	100	Deelkraal R0.20	100	−5	—	—	—
760	370	Doornfontein R1	370	−40	†Q110c	1.4	‡
965	645	East Drie R1	690	−25	Q75c	1.7	6.4
280	160	Elandsr'd Gld Mng 20c	170	−5	—	—	—
190	120	Elsburg R1	120	−6	Q33.8c	ϕ	16.3
£16½	£12	Hartebeest R1	£12	−1	Q215c	1.4	10.6
695	440	Kloof Gold R1	445	−15	Q55c	1.4	7.3
760	425	Libanon R1	425	−20	†Q130c	1.9	‡
740	395	Southvaal 50c	399	−15	Q8c	1.3	1.2
245	148	Stilfontein 50c	150	−4	Q36c	2.2	10.3
£20½	£10¾	Vaal Reefs 50c	£14¼	−1	Q175c	2.1	7.3
420	205	Venterspost R1	205	−10	†Q70c	1.9	‡
£35	£20½	W. Drie R1	£20½	−¾	†Q185c	1.2	‡
315	170	W'st'rn Areas R1	170	−10	Q52c	ϕ	18.1
£15¼	870	Western Deep R2	870	−20	Q147½c	1.6	10.0
290	190	Zandpan R1	215	−10	Q35¼c	1.0	9.8

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Fr. State Dev. 50c	100	+5	Q14c	1.6	8.3
£22½	£13¾	F.S.Geduld 50c	£13¾xd	−1½	†Q330c	1.3	‡
120	60	F.S. Saaiplaas R1	60	−6	26c	0	5.9
465	305	Harmony 50c	305xd	−20	Q65c	ϕ	12.6
195	76	Loraine R1	76	−6	Q5c	0.5	4.7
£18½	£10½	Pres. Brand 50c	£10½	−1	†Q250c	1.3	‡
£13	750	Pres. Steyn 50c	750xd	−130	†Q125c	2.2	‡
£23	£14½	St. Helena R1	£14½	−1¼	†Q250c	1.2	‡
174	100	Unisel	100	−6	—	—	—
330	225	Welkom 50c	225xd	−20	†Q55c	1.7	‡
£25½	£15½	W. Holdings 50c	£15½xd	−1½	†Q475c	1.2	‡

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mine 17½p	9	......	m0.5	—	1.5
39½	24	Charterhall 5p	25½	......	—	—	—
880	580	Cons. Murch. 10c	690	......	Q80c	1.8	6.9
40	28	Lourenis	34	+2	—	—	—
455	245	Northgate C$1	400	+25	tQ25c	1.0	3.3
209	178	R.T.Z.	195	+2	g5.51	4.4	4.3
112	87	Sabina Inds. C$1	95	......	—	—	—
£11½	£10	Tara Exptn. $1	£11	......	—	—	—
122	88	Yukon Cons. C$1	103	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ✦ Regional price.
- ll No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday April 2 1976

Syria forces truce on Left in Lebanon

BY IHSAN HIJAZI — BEIRUT, April 1.

LEBANESE Left-wing forces to-day agreed to suspend their offensive against the country's beleagured Christian strongholds under strong Syrian pressure involving a thinly-veiled threat of direct military intervention.

The Left-wing forces, under Mr. Kamal Jumblatt, together with their Palestinian guerilla allies, said they were willing to observe a 10-day trial truce during which President Suleiman Franjieh must resign and a new Head of State be elected by Parliament.

Mr. Jumblatt announced the agreement after he had presided over a meeting of left-wing leaders and later conferred with Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation.

The truce should go into effect at noon to-morrow and units of the Palestine Liberation Army already in Lebanon should take charge of supervising it, Mr. Jumblatt explained.

This morning the Palestinian guerillas, who earlier this week had their arms and ammunition supplies stopped by Syria, were ordered by their commanders to fire only in self-defence and the fighting in Beirut slackened.

There was no immediate response from right-wing Christian leaders to Mr. Jumblatt's call for a truce. They had previously indicated that they would accept a ceasefire, but President Franjieh has yet to state his willingness to resign under pressure.

Final warning

Mr. Jumblatt also stipulated that a political solution to the Lebanese crisis should be found through the adoption of a reform programme providing for complete secularisation of the Lebanese system. The statement pointed out that the truce will only be a "freezing of the fighting" with the combatants maintaining their present positions. It hinted that if the Left-wing terms were not carried out within the specified ten days fighting would be resumed.

Mr. Jumblatt emphasised that the Christian Right was on the defensive and that his forces had made big military advances during the recent battles, in which several hundred people have died.

Robert Graham reports from Damascus: Mr. Jumblatt's truce announcement followed a harshly-worded statement issued here this morning in which Syria gave a seemingly final warning to the warring factions in Lebanon—especially Mr. Jumblatt and his forces. It declared that Syria would use "all means at its disposal to foil the conspiracy against Lebanon."

The statement, which took nearly eight hours to hammer out, was the most detailed put out by the Syrian Government throughout the Lebanese civil war. Not only did it seek to justify Syria's mediation but also roundly criticised virtually every participant in the conflict.

In particular, it took Mr. Jumblatt to task. Without naming him specifically, the statement pointedly said: "One of the parties sought to escalate the military situation and to further complicate the political conditions.

Slogans

"This faction gave rise to demands and slogans which contradict the original causes of the fighting and which have no relation whatsoever with the principles agreed upon previously by all parties."

This attack underlined the full extent of Syria's frustration and displeasure with Mr. Jumblatt at taking the lead in the military offensive and further complicating the path towards a settlement. It also helps to explain why the Syrians cut off all arms supplies to Mr. Jumblatt's forces.

Just as in January when Syria escalated the pressure for a settlement by permitting 1,500 regulars from the Syrian-controlled PLA to cross into Lebanon, so now it has used the weapons embargo.

This, in effect, is Syria's last card short of military intervention or abandonment of its mediatory role. Both of these options are courses of action which Syria would be reluctant to pursue.

Syria is understood to have given assurances at the highest level to all interested parties in the international community, especially the U.S., that it is against military intervention.

To-day's statement carefully avoided any direct reference to full military intervention. However, the threat was implied in the warning to the effect—that "the parties who insist on continued fighting bear the full responsibility for partition which will be the worst crime committed against the Arab nation and Lebanon."

Jumblatt, mystic and kingmaker, Page 3

Australia eases rules for foreign mining investment

BY KENNETH RANDALL — CANBERRA, April 1.

FOREIGN INVESTMENT in Australian Uranium projects will be restricted to 25 per cent. under new guidelines announced by the Government to-day. For other minerals, the Government is introducing a more flexible general aim of 50 per cent. local equity participation and voting power.

Mr. Phillip Lynch, the Treasurer, announced the new policy in Parliament, keeping closely to the pre-election undertakings made by the Liberal and National Country Parties before they took office last December.

Although the new Government's guidelines have much in common with those of the previous Labor Government, they are far more flexible. Administrative machinery will also be streamlined and, with the exception of uranium, there is room for argument on a case-by-case basis.

Mr. Lynch noted that in the past three years, total capital inflow into Australia represented only 3 per cent. of total gross domestic capital formation, compared with around 10 per cent. in the several preceding years.

The Government's basic objectives now were to encourage foreign investment but to see, at the same time, that it was on the basis of fair sharing of net benefits "as between the foreign investor and the needs and aspirations of the Australian community."

Mr. Lynch said it was a policy which recognised that Australia could not isolate itself from sources of innovation, competition and capital.

But he added: "It is a policy which recognises that there is genuine concern in the community that Australia should not allow itself to slip into a position where vital decisions affecting the growth and direction of the economy are being taken by foreigners who may not be fully attuned to Australia's best interests."

The 75 per cent. local equity requirement for uranium projects compares with Labor's previous policy that new projects would have to be totally locally owned and controlled at the production stage.

Requirement

The Government's requirement will also have to be achieved by the production stage, but beyond the production of yellowcake (uranium oxide), including enrichment, the rule will not apply.

The more flexible 50 per cent. rule will apply to other investment in minerals, including oil and gas, involving more than $A1m. (about £650,000) and which survives initial screening against a specified set of criteria as being not against the national interest. This rule will also apply to agricultural, pastoral, forestry and fishing projects.

Except for uranium, "the unavailability of Australian equity capital on reasonable terms and conditions will not prevent a project, considered by the Government to be not against the national interest, from being allowed to proceed.

"In that event, though, the Government will, as appropriate, seek satisfactory arrangements for Australian equity to be increased to at least 50 per cent. within an agreed period."

It will not be mandatory for foreign investors to seek Australian partners in mineral exploration programmes.

Speculative foreign investment in real estate will remain blocked but in other areas of the economy there will be no specific prohibitions or local equity requirements.

There will be only two significant changes to the existing foreign takeovers legislation.

One will require a foreign bidder to obtain approval from the Trade Practices Commission and not only under the Takeovers Act. The second change will strengthen the provisions for compulsory notification of takeover proposals.

Kenneth Marston writes: Although they are much as expected, the new investment guidelines are very encouraging for mining interests if only because they end a stagnant period of uncertainty which has followed the repressive policies towards Australia's mineral industry pursued by the Labor administration.

Companies can now make firm plans for development and they will especially welcome the degree of flexibility in the new rules.

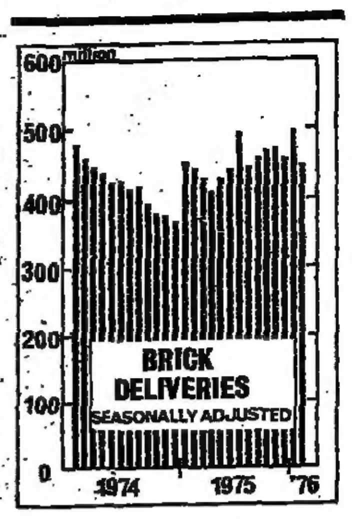
The previous insistence on a maximum Australian partnership from the start in new projects, for instance, made it extremely difficult to raise the big funds required when a strong foreign company was linked with a domestic company with only limited resources.

One criticism, however is of the insistence on a 75 per cent. ownership of all future uranium production. The Australian Mining Industry Council regards this as an about-face by the Government which it was thought, would treat foreign investment in uranium on the same basis as other minerals.

THE LEX COLUMN
Panel's sensible compromise

There is still no prospect of the authorities pushing up interest rates to defend sterling, but the weakness of the pound certainly rules out the ½-point MLR cut which has looked a possibility for this week or next—the Bank of England will not want to be accused of actively pushing sterling lower as it was four weeks ago. The easiness of gilts, meanwhile, leaves the market below the level of the new short tap.

Index fell 3.6 to 398.8



London Tin

The proposed settlement of the London Tin affair looks like a sensible compromise. Even if all goes to plan, it could be autumn before the deal is signed and settled. But the important point is that the Panel has given its approval, and it is clear that all the parties concerned are anxious to co-operate, including Haw Par which has the power to scupper the plan if it were to feel hostile.

The idea is that London Tin's domicile will be transferred to Malaysia via a Section 206 Scheme of Arrangement. At the same time, U.K. residents will be offered investment currency equivalent to the mandatory bid price of just over 197p per share: this will be financed by debt raised on the assets of a new company formed by merging the Malaysian tin interests of Pernas and Charter Consolidated. As a non-resident, Haw Par will not get the premium benefits, and only stands to receive 131p per share. It may well prefer to place its near 30 per cent. holding, with buyers who could use investment currency, at somewhere near the current price of 163p per share. Other non-resident holders (3 per cent.) will probably do the same.

This is not a complete solution, since London Tin shareholders will have a deferred liability to premium surrender within their 197p. But it satisfies Malaysia's wish to participate in the tin industry, and it seems largely to get round the capital gains tax problems which London Tin would have had to face if it had moved overseas on its own accord. It also looks as if Charter's quoted Malaysian Tin associates — and London Tin's, ultimately — will also be transferring their domicile, a point which was recognised in some share prices yesterday.

So London Tin shareholders have been well served by the Panel. Its next big hurdle is the Ashbourne saga, on which it could at last be pronouncing next week. It seems most unlikely that the outcome here will be nearly as satisfactory.

London Brick

London Brick's 1975 profits are £9.79m., against £2.87m. and a previous peak of £8.93m. But after an interim total of £5.1m., this outcome is well below market estimates and the shares fell 3½p to 55p yesterday. The explanation apparently lies in a further twist in the building materials price saga. Last year the group reduced its stocks by approaching 300m. so after price increases of a quarter, stock profits during the year were between £1.5m. and £1.75m. which took the group above its reference level. Consequently prices were cut by 5 per cent. from the beginning of December and the company has decided to allow in the 1975 figures for the excess profit which has to be eliminated—in effect a provision, of probably about £500,000.

The group was thus able to start the current year with a clean sheet from the margin point of view: while cost increases will lead to a further price rise within a few weeks, there is unlikely to be much profit from lifting stocks since these are now down to a "routine" level. Production is running at over 80 per cent. of capacity, against 60 per cent. a year ago, and the improvement in deliveries is being maintained. The group is reasonably optimistic about prospects for the rest of 1976 on that any downturn starts should not ma pact until the autum and will be fully off upturn on the pri where the brick cont way higher. But alt recovery provisious dend controls have to the full to increas payout to a tenth 1973 level, there are attractions at this st cycle in a yield of 7 to produce any reve dull share price perf the last few months.

See also Page

Mitchell Cotts

Before tax and income, Mitchell C are an eighth lower for the six months to South Africa, after profits gain, account ally the whole of th something has gone elsewhere within the the problem is largel losses in Canada an But the earnings pat could prove steadier rent, seasonally mor six months — and "at least" to ma dividend.

The turnround in Belgium may have the losses should be the current half, African profits wil benefit of a weak po offset the nationalis Ethiopian estates, tributed £0.7m. a ye African earnings has knocked nearly of the share price th at 46p they yield 10 —covered 2.2 times

See also Pag

Pecking order

Hill Samuel boast merchant banking li company clients, a the new edition of Directory of City C and unsurprisingly emerge as best conn brokers. With 140 c well out in front o Benson (113), Schr and Warburg (96). brokers Sebag come 165 corporate clie 225 for Cazenove. are Rowe and Pitma Hoare (110).

* Crawford Public (Tel. 01-499 1164).

Roche to pay up to £1.85m. in agreed tax settlement

BY MICHAEL LAFFERTY, CITY STAFF

ROCHE PRODUCTS, the U.K. subsidiary of the Swiss-based Hoffman-La Roche drugs group, has reached agreement with the Inland Revenue on a basis for determining its corporation tax liabilities for the seven years to December 1972 which will involve its paying up to £1.85m. to the tax authorities.

Dr. John Marks, Roche's U.K. managing director, confirmed yesterday that Roche has been having "very friendly discussions" with the revenue authorities in the light of the Monopolies Commission report in April 1973 on the prices charged by the company for the tranquilisers Valium and Librium.

This news follows the disclosure that the Inland Revenue has mounted a new drive, involving the build-up of a special research unit at its Somerset House headquarters in London, to investigate the pricing policies of overseas-based multinational trading companies.

The Monopolies Commission report was highly critical of Hoffman-La Roche's pricing policies and concluded that the prices charged by the group in the U.K. had produced "excessive profits on a very large scale."

This led to long litigation between the Government and the company which ended in November 1975 with an agreement whereby Roche was permitted to increase the prices of Valium and Librium.

Under the same agreement Roche repaid the Government £3.75m. in an overall settlement which took account of "excessive profits" over the period January 1970 to April 1973.

A note attached to Roche Products' 1974 accounts, recently filed at the Companies Registry, states that the amount of the company's aggregate corporation tax liability for the seven years to December, 1972, "pursuant to the agreement with the Inland Revenue, has still to be agreed," but "it is known that this liability will not exceed £1.85m."

Roche Products has reported losses of £6.3m. and £13m. respectively for the years ending December 1973 and 1974. These periods are not covered by the agreement with the Inland Revenue, though, and no provision has been made in the accounts "as there is no basis on which the tax at issue can be properly quantified."

£2bn. more borrowing powers for BSC

BY ADRIAN HAMILTON

THE GOVERNMENT yesterday introduced a hastily prepared Bill to double the British Steel Corporation's potential borrowing powers from £2bn. to £4bn.

The Iron and Steel (Amendment) Bill provides for an immediate increase in the borrowing ceiling to £3bn., with provisions for a further £1bn. rise to be made by statutory order.

At the same time, the Commons Select Committee on Nationalised Industries declared that it was about to begin a far-reaching inquiry into BSC's much-criticised organisation, control, development and performance.

Despite the introduction of an increase of £750m. in the BSC's borrowing limits last June, the latest Bill had been urgently prepared earlier this year at a time when the Corporation's mounting losses and continued intensive investment programme threatened to produce a serious debt position.

Since then, the corporation has curbed its losses through increased production, higher prices and better productivity and now expects to achieve an overall deficit for the financial year 1975/6 of nearer £250m. instead of the £300-£350m. which once seemed possible.

In the next financial year, 1976/7, the corporation is hoping to make even more progress, and to turn its situation round to profit by next March.

Nevertheless, a Bill increasing its borrowing powers was felt necessary in view of the heavy capital expenditure on its ten-year investment programme and the continued high rates of inflation.

BSC's debts now stand at about £1.38bn. (excluding launching aid) and are likely to exceed £1.5bn. by the time the 1975/6 financial year is reported.

Even assuming that the next few financial years do not see any substantial trading loss, its capital expenditure is likely to average some £500-600m. a year at 1975 prices, according to the recent White Paper on public expenditure.

A major proportion of its financing recently has come from additional public dividend capital, of which it has been allocated some £900m. (including the original £500m. launching capital), and from the EEC, which has approved some £550m. of loans to the Corporation from both ECSC and EIB funds (of which less than half have so far been disbursed).

Continued from Page 1

Leyland

men, providing they agreed to a job evaluation exercise.

At Llanelli, the press operators accepted a peace formula thrashed out at all-night talks between management and union officials. Their week-old strike was over the procedure for transferring workers from the press operations—an exclusively Transport and General Workers' Union area—to press maintenance, an AUEW area.

Both the SU and Drews Lane strikes are over demands which clearly breach the 12-month rule embodied in the Government's pay policy. The SU strikers want back payment to last December of £6 a week increases which they would have received from yesterday had they been at work.

The 70 Drews Lane strikers—toolroom fitters—are demanding an extra £10 a week to give them pay parity with staff-rated toolroom operators.

A plea aimed at these remaining strikers came last night from Mr. Geoffrey Whalen, Leyland Cars director of personnel, who advised workers to contain individual grievances and aspirations for the common good while their problems were worked out.

Concern

Peter Hennessy writes: MPs expressed concern about British Leyland plans to invest £10m. in South Africa at a meeting of the Parliamentary Labour Party in the Commons last night.

Mr. Cledwyn Hughes, chairman of the PLP, is to consider calling a special meeting after Easter to discuss issues affecting South Africa. Mr. Frank Hooley (Sheffield, Heeley) said he would be meeting Mr. Eric Varley, Industry Secretary, next week to discuss British Leyland's intentions.

Mr. Frank Allaun (Salford East) claimed that Aviation Jersey was breaking the Government's arms embargo by supplying spare parts for South Africa's Centurion tanks.

Rolls threat to close strike-hit factory

BY DAVID CHURCHILL, LABOUR STAFF

MORE than 6,000 engineering workers at the Bristol aero-engine works of Rolls-Royce (1971) will be laid off at the end of next week, halting engine production for defence contracts, unless a strike by about 550 toolmakers is resolved.

This ultimatum came yesterday from Rolls-Royce (1971) management following the two-week toolmakers' strike for a pay increase to maintain their differentials over production workers.

About 7,500 white-collar staff may also be laid off if the factory is shut down, bringing the total to 13,500.

In a letter to all the 6,000 manual workers yesterday the company said that the toolmakers' action was seriously disrupting production of the RB-199 engine for the proposed European multi-role combat aircraft as well as certain other missile and aircraft engines, including the Pegasus engine for the Harrier jump-jet.

The company said that the situation was "worsening daily," so that it would not be practical to maintain production beyond the end of next week.

Averted

Some union officials at the plant were suggesting last night that the situation was not as serious as the management implied, and that the ultimatum was intended only to put pressure on the strikers to return to work. Last year also the company threatened to close the factory because of a pay dispute, but closure was averted at the last moment.

At a meeting yesterday afternoon the strikers decided to stay out, despite the company's warning. They do not plan to meet again until next Tuesday. This morning national officers of the main unions involved, including the Amalgamated Union of Engineering Workers, the Transport and General Worker's Union and the Electrical and Plumbing Trades Union, will meet to seek a solution.

This follows a previous attempt by Mr. Bill John, an AUEW national officer to resolve the dispute, as well as talks between unions and management under the auspices of the Advisory, Conciliation and Arbitration Service.

The dispute is over a claim for higher differentials between the 550 skilled toolmakers, including about 115 electricians, and other skilled production workers at the plant. This differential has been an agreed 80p a week. The toolmakers want it increased to £2.05 because they claim that it has not been applied uniformly—allowing some production workers to earn more than toolmakers.

Panel call

Development workers at the plant claim that their differential of 60p less than the toolmakers, should be maintained if the toolmakers' differential over production workers is widened. Maintaining the development workers' differential, however, would then antagonise the production workers.

The company is willing to re-adjust the differentials, introduced last Summer, when pay policy allows, but only if all the groups at the plant agree to participate in an independent panel of investigation to assess the effects of increasing the differential between toolmakers and production workers.

The development workers, like the production workers and toolmakers mainly AUEW members, are unwilling to take part in such an investigation following a previous guarantee by the company's managing director that their differential with the toolmakers would not be widened.

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Bid for London Tin

covered by an understanding between the two sides.

Under the projected bid by a Malaysian company associated with Pernas, which already holds more than 20 per cent. of London Tin, the holders of 49 per cent. of the latter's shares will be offered investment currency equivalent to 197 3/16p per share. This is the level at which the Panel last year required a bid, following the then plan—ultimately abortive—for a link-up by Pernas and Haw Par, together owning 51 per cent. of London Tin. The buying company will also be associated with the mining group Charter Consolidated.

A question mark still hangs over the fate of Haw Par's 30 per cent. shareholding in London Tin, which does not stand to gain the benefits of the investment currency premium. But it is now widely regarded as logical that this holding should be placed in London, in which case the new buyers would qualify for the premium. One possible purchaser could be Slater Walker Securities.

The bid is still subject to official consents in Britain and Malaysia. But Mr. Junus Sudin, Pernas' chairman, said in London last night: "There are hurdles still to be surmounted, but with the continuance of the goodwill shown by all parties, including Singapore, we hope the project will reach a satisfactory conclusion."

Weather

U.K. TO-DAY

SUNNY INTERVALS, showers.

London, S.E., E. England, E. Anglia, E. Midlands
Bright intervals; showers, possibly prolonged. Wind N., moderate or fresh. Max. 7-9C (45-48F).

S.W., Cent. S. England, S. Wales, W. Midlands, Channel Is.
Sunny intervals, showers. Wind N., moderate or fresh. Max. 9C (48F).

N. Wales, N.W. England, Lakes, I. of Man, Glasgow, Edinburgh, Dundee, Aberdeen, Highlands, Moray Firth, N.E., S.W. Scotland, Orkney, Shetland
Sunny spells; occasional showers, sometimes wintry, dying out. Wind N., moderate or fresh becoming S.W. or W. Max. 8C (46F).

Cent. N., N.E. England, Borders
Sunny intervals; showers, snow on hills, dying out later. Wind N., moderate or fresh becoming W., light. Max. 7C (45F).

Outlook: Cold and changeable.

Lighting up: London 20.05, Manchester 20.15, Glasgow 20.27.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	20	68	Madrid	S	21	70
Amstrdm.	C	11	52	Manchstr.	C	9	48
Athens	S	17	63	Melbourne	S	28	82
Barcelona	C	14	57	Mexico C.	C	13	55
Belfast	C	8	46	Milan	S	19	66
Belgrade	S	18	64	Montreal	R	9	48
Berlin	C	12	54	Moscow	S	4	39
Birmghm.	C	8	46	Munich	S	18	64
Bristol	C	10	50	Newcastle	F	9	48
Brussels	S	14	57	New York	R	11	52
Budapest	R	19	66	Oslo	F	4	39
B. Aires	C	18	64	Paris	S	19	66
Cairo	S	25	77	Perth	S	21	70
Cardiff	C	9	48	Prague	S	18	64
Cologne	S	15	59	Reykjavik	S	0	32
Copnhagn.	F	8	46	Rio de J'o	S	29	84
Dublin	C	8	46	Rome	S	16	61
Edinburgh	C	6	43	Singapore	C	30	86
Frankfurt	S	17	63	Stockholm	C	5	41
Geneva	S	16	61	Sydney	C	20	68
Glasgow	F	6	43	Tehran	S	19	66
Helsinki	R	2	36	Tel Aviv	C	20	68
H. Kong	S	19	66	Tokyo	R	7	45
Jo'burg	C	25	77	Toronto	S	5	41
Lisbon	S	20	68	Vienna	S	20	68
London	C	11	52	Warsaw	F	14	57
Luxembrg.	S	15	59	Zurich	S	17	63

HOLIDAY RESORTS

Ajaccio	S	16	61	Istanbul	S	11	52
Algiers	S	21	70	Jersey	C	11	52
Biarritz	S	14	57	Las Plms.	S	22	72
Blackpool	C	10	50	Locarno	S	17	63
Bordeaux	S	22	72	Majorca	S	19	66
Boulogne	F	10	50	Malaga	S	20	68
Casablnca.	F	23	73	Malta	F	16	61
Cape Tn.	C	21	70	Nairobi	C	30	86
Corfu	F	20	68	Naples	S	17	63
Cyprus	S	18	64	Nice	S	15	59
Dubrovnik	S	17	63	Oporto	S	13	55
Faro	S	18	64	Rhodes	R	17	63
Funchal	F	19	66	Salzburg	S	18	64
Gibraltar	S	18	64	Tangier	F	16	61
Guernsey	C	9	48	Tenerife	C	13	55
Innsbruck	S	19	66	Tunis	S	17	63
Inverness	F	5	41	Valencia	F	17	63
Is. of Man	F	8	46	Venice	S	19	66

C—Cloudy. R—Rain. F—Fair. S—Sunny.

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